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British Columbia Economic & Statistical REVIEW

Fifty-first Edition

Province of British Columbia
Ministry of Finance and Corporate Relations

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Foreword

We are pleased to present the 51st edition of the *British Columbia Economic and Statistical Review.*

Inside you will find a detailed description of the province's economy, finances, industries, geography, government, and people, as well as statistics on B.C.'s exports and imports, retail sales, capital investment, and employment status — all in one convenient place.

Whether you're a manager who needs to make a solid business decision based on reliable statistical information, or a student writing a paper on the structure of government in B.C., we know the *Review* will serve you well.

This year's edition includes topical feature stories ranging from protecting the environment to native land claims issues.

Also new for 1991 is a fold-out map of the province, addresses of Crown corporations, and a glossary of financial terms. Several tables in Appendix 2 have been revamped to span five years, giving a longer perspective.

Many of these changes are due to your suggestions — thanks for your feedback. Please tell us what you think about this year's edition. We look forward to hearing from you.

The Editors
British Columbia Economic and Statistical Review
Ministry of Finance and Corporate Relations
Room 100, 617 Government Street
Victoria, British Columbia
V8V 1X4

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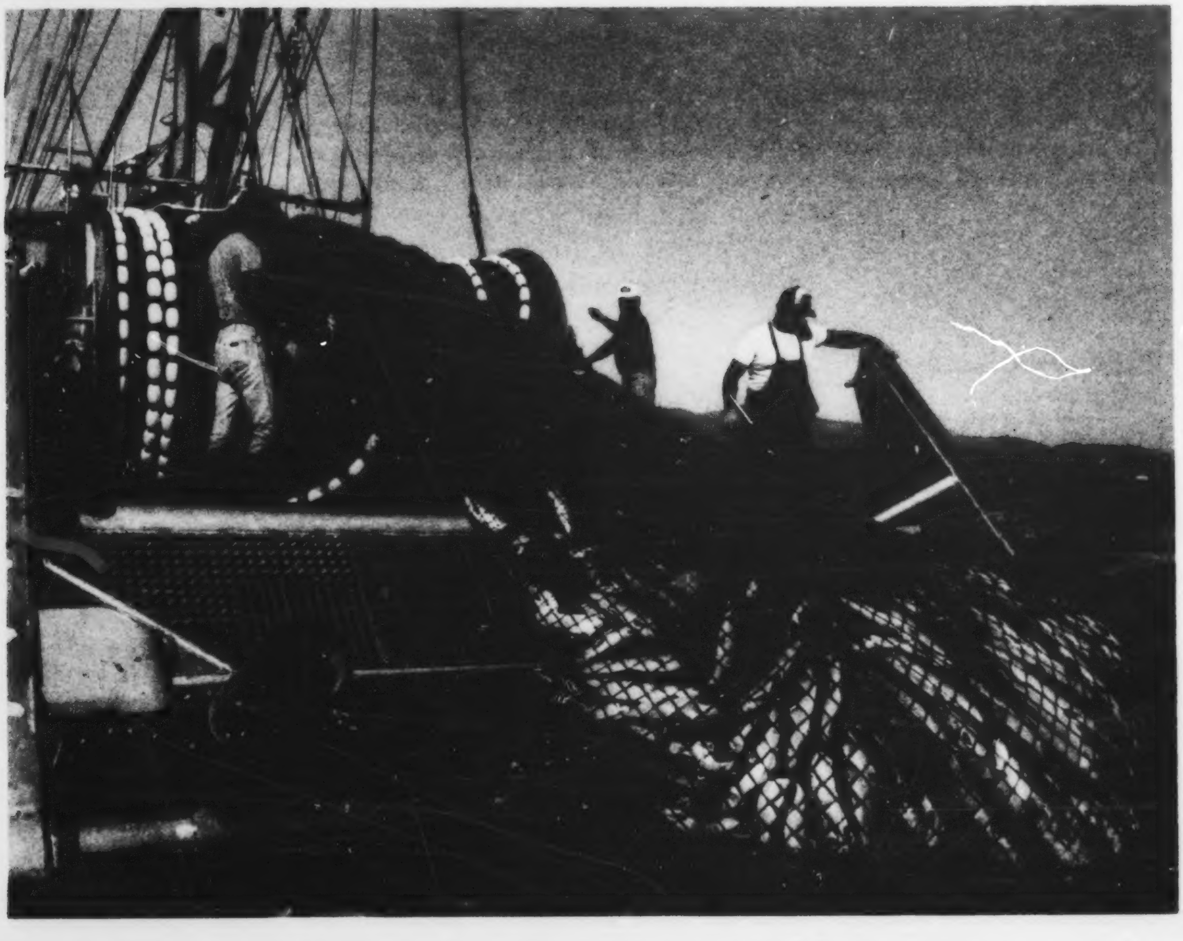
Chapter One
Economic Review



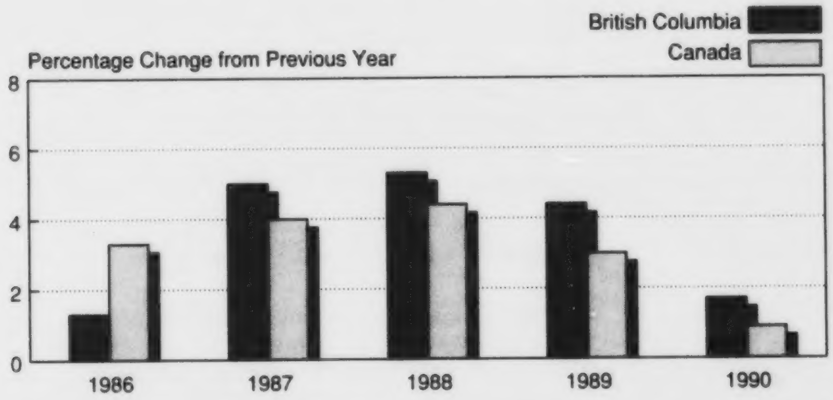
1: Economic Review

Overview[1]

The British Columbia economy recorded its eighth consecutive year of growth in 1990. Provincial real gross domestic product, the value of all goods and services produced in British Columbia, grew an estimated 1.7 per cent in 1990, down from 4.4 per cent in 1989.

The economy slowed throughout the year, ending three straight years of booming growth. During 1989, momentum built up contributing to economic growth last year, despite weakness in the second half of 1990. Monthly indicators suggest a recession may have started in the final quarter of 1990, lasting into the first quarter of 1991.

Chart 1.1 Real Gross Domestic Product



Note: All figures based on 1986 constant dollars.
1987–1990 B.C. figures are preliminary.

Source: Ministry of Finance and Corporate Relations;
Statistics Canada

The slower pace of economic growth in the second half of 1990 resulted from negative external developments including high interest rates, the beginning of a recession in the rest of the North American economy, and uncertainty resulting from the Iraqi invasion of Kuwait in August.

---

[1] The cut-off date for data used in this chapter is August 30, 1991.

The Canadian economy began slowing early in 1990. Canada slid into a recession in the second quarter of 1990 and economic conditions continued to deteriorate during the remainder of the year. The recession in Canada was centred in Ontario and Quebec which were particularly hard hit by high interest rates and the strong dollar.

Recessions began in the United States and the United Kingdom later in the year, contributing to weakening demand for British Columbia exports. Growth in western Germany and Japan accelerated in 1990, partly offsetting the economic slowdowns in North America and the United Kingdom.

The value of British Columbia exports fell 9.2 per cent in 1990, reflecting slower growth in the North American economy, falling commodity prices and the strong Canadian dollar. The value of manufacturing shipments, which consist mainly of goods destined for export, fell 6.1 per cent in 1990.

While the British Columbia economy slowed during 1990, it remained one of the stronger provincial economies. High levels of in-migration remained a major source of strength for the provincial economy. Net in-migration from other provinces and overseas rose 15.6 per cent to a record 64,400 persons in 1990.

Rapid population growth helped sustain consumer spending and the housing market during the first half of 1990. Domestic spending remained the main source of growth for the provincial economy, helping to offset the impact of declining export earnings.

The value of retail sales rose 6.2 per cent in 1990, the largest increase in Canada. High interest rates contributed to a modest fall in housing starts from 38,894 units in 1989 to 36,720 units in 1990.

Capital spending increased 11.2 per cent in 1990, the largest increase among provinces and the fourth straight year of double-digit growth.

Labour market conditions, on average, showed improvement in 1990 although employment growth moderated during the year. Strong employment growth in the second half of 1989 contributed to a 2.4 per cent increase in the average level of employment in 1990. Employment growth more than offset a 1.5 per cent increase in the labour force, reducing the unemployment rate from 9.1 per cent in 1989 to 8.3 per cent in 1990.

The British Columbia Consumer Price Index (CPI) rose 5.5 per cent in 1990 compared to a 4.5 per cent increase in 1989. British Columbia's inflation rate in 1990 was above the national average for the first time in nine years. Wage settlements in British Columbia averaged 6.9 per cent in 1990, 1.1 percentage points above the national average.

The relatively strong domestic economy and weak export sector are reflected in sectoral growth figures. The Ministry of Finance and Corporate Relations estimates that output of the service-producing sector grew 2.1 per cent in 1990. Output of the goods-producing sector, on the other hand, fell 0.7 per cent due to declining export volumes.

Detailed indicators of economic activity are provided in Appendix 1.

External Developments

International economic developments during 1990 were overshadowed by the Iraqi invasion of Kuwait in August. The subsequent escalation of the conflict and run-up in oil prices created considerable uncertainty. This probably caused economic activity during the last few months of the year to slow more than it would have otherwise.

The Canadian economy was already slowing before the Persian Gulf crisis. Canada slipped into a recession in the second quarter of 1990 as high interest rates and the strong dollar reduced domestic demand and exports. After growing 2.5 per cent in 1989, the Canadian economy expanded 0.5 per cent in 1990 with only the first quarter showing growth.

Weakening consumer and business demand for credit allowed the Bank of Canada rate to fall steadily during the second half of 1990 after peaking at over 14 per cent in May. The Canadian dollar weakened slightly against the United States dollar early in 1990 before rebounding in the second half. The dollar traded at an average 85.7 U.S. cents during the year compared to 84.5 U.S. cents in 1989. The currency depreciated against the yen in the first half of 1990 before rebounding later in the year. The dollar also appreciated against the deutschemark during the second half of 1990.

The United States economy also slowed during 1990, with growth peaking in July 1990 before the Persian Gulf crisis helped push the economy into a recession in the final quarter of the year. Overall, the United States economy grew 0.9 per cent in 1990, down from growth of 2.5 per cent in 1989. Housing starts fell 13.3 per cent to 1.193 million units in 1990, the fourth straight year of declining new house construction.

Japan remained the strongest industrial economy in 1990, expanding 5.6 per cent following growth of 4.7 per cent in 1989. Robust domestic demand accounted for all of Japan's growth in 1990, offsetting declining net exports. Rising interest rates and the jump in oil prices slowed the economy in the second half, but momentum in the domestic economy helped prevent a serious slowdown.

Major political and economic changes in eastern Europe and the Soviet Union occurred during 1990. The political and economic unification of East and West Germany, completed by mid-1990, played an important role in shaping economic developments in Europe's strongest economy last year. Economic activity in the former West Germany accelerated rapidly during 1990 with the economy expanding 4.7 per cent, compared to growth of 3.8 per cent in 1989. East Germany, on the other hand, experienced significant declines in economic activity as the economic union exposed its industries to competitive forces.

Overall, the Organization for Economic Cooperation and Development estimates that the combined output of its 24 members rose 2.6 per cent in 1990, down slightly from a 3.3 per cent increase in 1989.

Exports

The value of British Columbia merchandise exports fell 9.2 per cent in 1990 to an estimated $16.6 billion. The decline in export earnings reflects slower growth in the United States and other major economies. The combination of weaker commodity prices and the strong Canadian dollar also contributed to the deteriorating performance.

Exports to the United States, the province's largest trading partner, fell 10.7 per cent in 1990. The United States accounted for 41.9 per cent of total British Columbia exports in 1990, down slightly from 42.6 per cent in 1989. British Columbia exports to Japan, which is the destination for 27.8 per cent of the province's exports, fell 9.0 per cent in 1990.

Exports to Pacific Rim countries excluding Japan fell 15.8 per cent in 1990 to $1.7 billion. Provincial exports to the European Community in 1990 were valued at $2.6 billion, down 5.6 per cent from 1989 levels.

Overseas shipments of manufactured forest products such as lumber, pulp and newsprint accounted for approximately 54.8 per cent of total British Columbia exports. Declining prices contributed to an 8.5 per cent decline in the value of forest product exports in 1990.

Table 1.1 British Columbia Exports to Major Countries and Market Areas

	Value 1989	Value 1990	Change 1989–1990	Per Cent of Total 1989	Per Cent of Total 1990
	($ millions)		(per cent)		
United States	7,814.7	6,979.8	−10.7	42.6	41.9
Japan	5,094.0	4,635.7	−9.0	27.8	27.8
United Kingdom	789.0	692.2	−12.3	4.3	4.2
South Korea	682.0	609.1	−10.7	3.7	3.7
West Germany	576.3	519.8	−9.8	3.1	3.1
Belgium	283.4	380.4	34.2	1.5	2.3
Italy	420.3	347.6	−17.3	2.3	2.1
France	289.2	289.5	0.1	1.6	1.7
Australia	358.5	271.4	−24.3	2.0	1.6
Taiwan	325.4	240.0	−26.2	1.8	1.4
Netherlands	161.6	201.6	24.8	0.9	1.2
People's Republic of China	217.6	199.9	−8.1	1.2	1.2
Other countries	1,322.2	1,280.9	−3.1	7.2	7.7
Total	18,334.3	16,647.8	−9.2	100.0	100.0
Market Areas:					
European Community[1]	2,733.2	2,580.2	−5.6	14.9	15.5
Pacific Rim[2]	7,154.4	6,371.5	−10.9	39.0	38.3

[1] Belgium, Denmark, Greece, Ireland, Italy, France, Luxembourg, Netherlands, Portugal, Spain, United Kingdom and Germany.
[2] Australia, China, Fiji, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, Philippines, Singapore, South Korea, Taiwan and Thailand.
Source: Ministry of Finance and Corporate Relations.

The value of metallic and non-metallic mineral exports, which represented 21.5 per cent of total exports, fell 9.7 per cent in 1990. The slower pace of economic activity in the United States reduced prices for key industrial metals and minerals.

The value of energy product exports, which include coal, natural gas, electricity and petroleum products, accounted for 12 per cent of total exports. Exports of energy products increased 2 per cent in 1990, due mainly to an increase in the value of coal shipments.

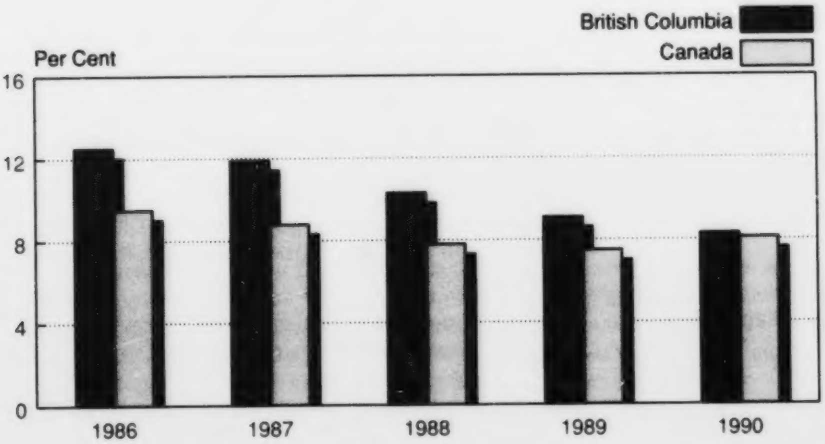
Population

British Columbia's population grew 2.8 per cent, or by 86,000 persons, in 1990 to total 3,185,900 persons at December 31, 1990. Net interprovincial migration, which accounted for almost half of the total increase in population in 1990, rose to a total of 40,990 persons. Net international migration totalled 23,456 persons, representing 27.3 per cent of total population growth in 1990. Natural population growth (births minus deaths) totalled 21,410 persons in 1990.

Labour Market Developments

The number of persons employed in British Columbia rose 2.4 per cent in 1990, representing 34,000 new jobs. Growth in employment in 1990, which was more a reflection of rapid job growth in 1989, exceeded a 1.5 per cent increase in the labour force. This pushed the unemployment rate down from 9.1 per cent in 1989 to 8.3 per cent in 1990. Slower economic growth in the second half of 1990 caused a decline in employment and the seasonally-adjusted unemployment rate rose to 9.2 per cent by December.

Chart 1.2 Annual Unemployment Rate



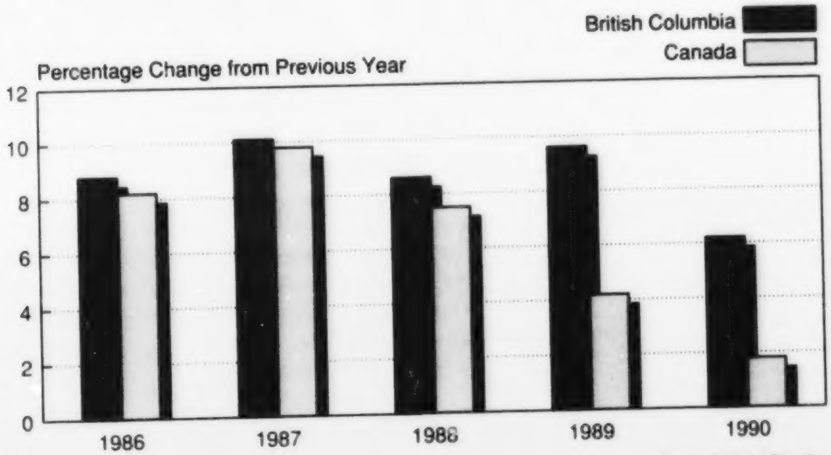
Source: Statistics Canada

Service-sector employment grew 3.8 per cent in 1990 with employment falling only in public administration. Goods-sector employment, on the other hand, fell 1.7 per cent during 1990 with employment declining in all industries except construction. The largest declines in goods-sector employment were recorded in export-oriented industries.

Consumer Expenditure and Housing

The value of retail sales in British Columbia increased 6.2 per cent in 1990 following a 9.6 per cent increase in 1989. In 1990, British Columbia had the strongest growth in retail sales among Canadian provinces for the second straight year. However, as with other indicators, retail sales growth tailed off during the second half of the year.

Chart 1.3 Retail Sales



Source: Statistics Canada

The volume of retail sales in 1990 was dampened by slower employment growth, rising interest rates and deteriorating consumer confidence. However, continued high rates of in-migration helped moderate the slowdown in consumer spending growth in 1990.

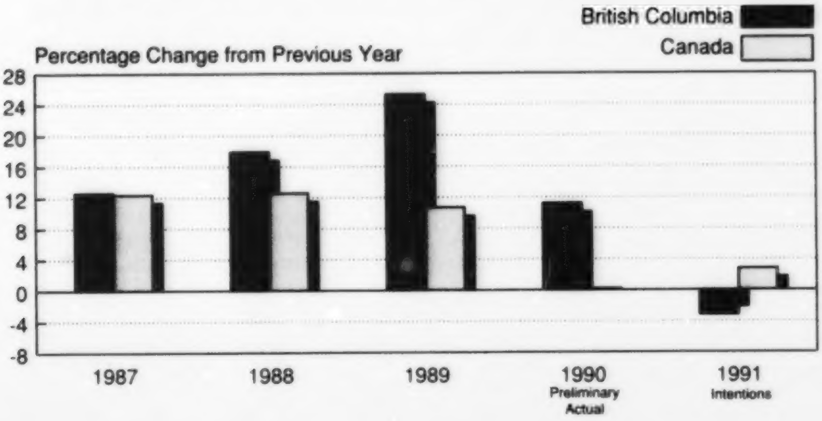
High interest rates also slowed residential construction in British Columbia during 1990. Housing starts fell 5.6 per cent in 1990 to 36,720 units. After reaching a record high in February, housing starts fell steadily for the rest of the year.

Capital Investment

Capital investment in British Columbia rose 11.2 per cent in 1990, down from the 25.3 per cent increase in 1989. This was the province's fourth straight year of double digit increases in capital spending. British Columbia once again recorded the fastest growth in capital investment among Canadian provinces.

Capital spending grew in all major industrial sectors in 1990 except the primary and construction industries. The transportation, communications and utilities sector had the largest increase, growing 36.2 per cent. Residential investment rose 16.3 per cent while capital spending by institutions and government departments grew by 14.4 per cent. Capital investment growth in the manufacturing sector moderated to 5.1 per cent in 1990, after strong increases in previous years related to capacity expansion and modernization in the forest industry. Capital spending in the trade, finance and commercial sector grew a modest 0.6 per cent.

Chart 1.4 Fixed Capital Investment



Source: Statistics Canada

Prices and Incomes

Continued growth in the provincial economy fuelled inflation in 1990. The British Columbia Consumer Price Index (CPI) rose 5.5 per cent in 1990, up a full percentage point from the 1989 inflation rate. This was the first year since 1982 that the province's annual inflation rate exceeded the national average. Sharply deteriorating economic conditions in central Canada contributed to moderating inflation pressures in Canada as a whole.

Increased employment and rising earnings resulted in an estimated 8.6 per cent increase in personal income in 1990 following an 11.4 per cent increase in 1989. Average weekly earnings grew 4.9 per cent in 1990 to $515.91 per week. Weighted average hourly earnings for union and non-union employees rose 5.9 per cent in 1990 to $15.56 per hour.

In 1990, 425 major collective agreements involving 25 or more employees expired in British Columbia, up from 305 expired agreements in 1989. These agreements covered 93,589 employees, down from 121,282 employees in 1989. Labour Canada data for agreements covering 500 or more employees show British Columbia wage settlements averaged 6.9 per cent in 1990, unchanged from 1989. Wage settlements in Canada as a whole rose from 5.3 per cent in 1989 to 5.8 per cent in 1990.

Current Situation

The slowing trend in economic activity apparent in the second half of 1990 continued into the early months of 1991. Some economic indicators, notably employment, suggest a recession began in the fourth quarter of 1990 and continued until the first quarter of 1991.

Recent economic indicators show a rebound in economic activity, suggesting the economy pulled out of its slowdown in the second quarter of 1991. The rebound in the provincial economy is in line with the improved situation of both the Canadian and United States economies; it appears that the North American recession ended by mid-year.

Developments in the provincial labour market reflect the pattern of growth in the overall economy during the first half of 1991. The level of seasonally-adjusted employment fell 0.6 per cent in the first quarter of 1991 before rebounding 1.6 per cent in the second quarter. Employment during the first seven months of 1991 was up 1.1 per cent from the same period in 1990. British Columbia is one of the few provinces where year-to-date employment is up in 1991.

Retail sales grew at an 11.7 per cent annual rate between the first and second quarters of 1991. Consumer spending was subdued in the first quarter due to weaker employment conditions, the lead-up to the Gulf war and rising consumer uncertainty. As well, consumers' negative reaction to the federal government's goods and services tax contributed to the weak retail sales climate.

Residential construction activity has also improved in recent months after falling to low levels in the early months of 1991. This reflects the positive impact of lower mortgage interest rates. British Columbia urban housing starts totalled 37,000 units at annual rates in July, a significant increase from a low of 13,000 units started in January.

The value of manufacturing shipments also increased in the second quarter, but remains well below year-ago levels. Manufacturing shipments in the January to May period of 1991 were down 10.2 per cent compared to the first five months of 1990.

The value of wood industry shipments was down 20 per cent during this period while paper and allied shipment values were down 11.4 per cent. These trends reflect both weak prices received by British Columbia exporters and declining volumes of shipments.

British Columbia's inflation rate rose early in 1991, despite the economy's slower pace. The acceleration in inflation during 1991 mainly reflects the introduction of the federal goods and services tax. The province's inflation rate averaged 6.2 per cent in the first half of 1991, just below the national average of 6.4 per cent. Much of this reflects the impact of the goods and services tax. In the second quarter the annualized provincial inflation rate was just 1.4 per cent.

The mid-August coup d'etat attempt in the Soviet Union temporarily cast a cloud over prospects for economic reforms in that country. The unpredictable nature of economic and political developments in the Soviet Union will be an ongoing source of concern but will ultimately have only a limited impact on the medium-term prospects for the provincial economy.

Productivity Growth in British Columbia

Background

Productivity indicators measure the efficiency of an economy, or the quantity of goods and services that can be produced with a given amount of resources. Labour productivity in particular measures the amount of output generated in a period of time by an "average" worker. Labour productivity depends on many things, including:

- the quality of labour;
- the quantity and quality of capital and technology per worker; and
- the skill with which these are combined to produce goods and services.

Over time, increases in real wages (wages adjusted for inflation) tend to match increases in labour productivity. Consequently, sustained increases in average real wages and the general standard of living generally require increases in labour productivity. Recently, public concern about our economic competitiveness has heightened. In the long term, competitiveness entails the ability of a society to compete on world markets and, at the same time, raise real incomes and the general standard of living. Generating increases in productivity, especially labour productivity, is therefore a key to strengthening competitiveness in the long term.

Trends in Productivity Growth

Labour productivity growth in British Columbia has changed considerably since the 1960s. From 1966 to 1973, labour productivity in the business sector (this excludes all levels of government, as well as education and health-care workers) increased at an average annual rate of 3.4 per cent a year — at this rate, average real wages would double about every 20 years. Productivity growth fell off sharply after 1973 and averaged 0.5 per cent between 1973 and 1989 (see chart).

British Columbia was not alone in experiencing a slowdown in productivity after 1973. This was a problem shared by every major industrialized economy. For example, labour productivity growth in the U.S. fell from an annual average of 2.4 per cent between 1966 and 1973 to 1 per cent between 1973 and 1989.

Factors Contributing to Slowdown

The widespread slowdown in productivity growth after 1973 has been attributed to many factors. There are differing opinions on the contribution of individual factors, but some of the more important possibilities are as follows:

- In the last two decades, the service sector has made up a growing share of employment in most industrial countries. Labour productivity in the service sector is invariably below the economy-wide average. Consequently, the shift in employment toward services has tended to reduce labour productivity growth.
- The sharp rise in oil prices beginning in 1973 generated several major economic shocks — production and consumption patterns were disrupted and many economies were tipped into recessions. Higher oil prices also helped generate rising inflation, which created economic inefficiencies. Together, the economic consequences of the oil price shocks dragged down productivity growth significantly.
- In the specific case of British Columbia, the average price of major export commodities went through two notable boom-and-bust cycles between 1971 and 1985, and this may have dampened productivity growth in export-oriented industies. On one hand, a sudden deterioration in commodity prices causes

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dislocation in export-oriented industries, and productivity usually falls as employment reductions tend to lag cutbacks in output. On the other hand, rapidly rising prices provide an incentive for firms to hire extra workers to squeeze more production out of existing facilities. Average labour productivity may decline because of constraints on equipment, but rising prices still make it profitable for firms to hire additional workers. Production constantly bumping up against capacity constraints is a clear signal that more capital investment is required.

Capital per Worker

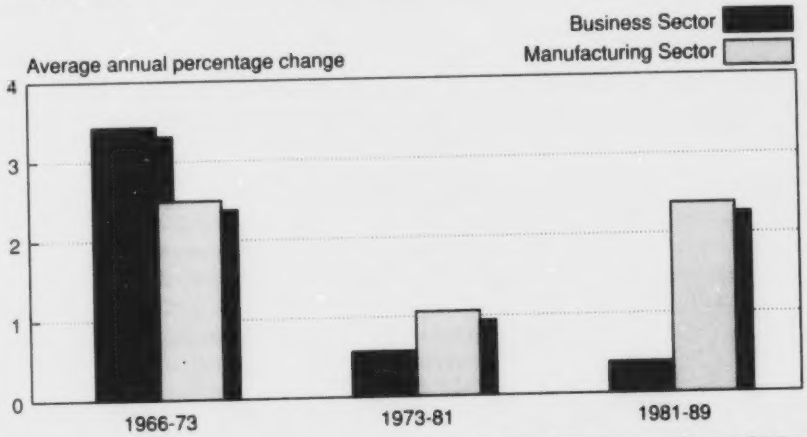
The changes in economic conditions after 1973 led to slower growth in capital (e.g., plant, equipment and machinery) per worker. Growth in capital per worker is a major factor in labour productivity growth. For example, a miner's productivity improves when older drilling machinery is replaced with newer, more dependable machinery with greater capacity. Slower growth in capital per worker in the provincial business sector after 1973 translated into slower growth in productivity. In the manufacturing sector, rapid growth in the stock of capital per worker between 1981 and 1989 helped reverse the slowdown in productivity growth. Labour productivity growth in this sector increased from an annual average of 1.1 per cent between 1973 and 1981 to an average of 2.4 per cent between 1981 and 1989.

Role of Public Policy

There has been extensive debate in most industrial countries about whether public policy might reverse or slow the decline in productivity growth. Many advocate the use of government incentives such as more favourable tax treatment of capital investment. Others favour policies to promote higher national savings rates. Increased government support of private research and development and more spending on education are other proposed answers to the productivity slowdown.

Whatever the solutions, they will have to contribute to higher productivity growth if British Columbia and the rest of Canada are to remain competitive in the world economy and enjoy increasing standards of living, as they did through the 1960s and early 1970s.

Output per Person-Hour, British Columbia



Source: Ministry of Finance and Corporate Relations

Chapter Two
Financial Review

2: Financial Review

Overview

The provincial government's revenue collections are closely linked to the performance of the provincial economy. Slower-than-expected economic growth last year caused total provincial government revenue in 1990/91 to be $222 million below the 1990 budget estimate. Total revenue of $14.4 billion was up 3.6 per cent from the comparable figure for the previous year. This compares to revenue growth of 10.1 per cent in 1989/90.

The 1990/91 budget included a $684 million transfer from the Budget Stabilization Fund to the General Fund. Because of lower-than-expected revenue collections during the year, additional revenue was transferred from the Budget Stabilization Fund to the General Fund. As a result, the preliminary actual results for 1990/91 show General Fund revenue of $15.3 billion after a total transfer of $926 million from the Budget Stabilization Fund (see Table 2.1).

Table 2.1 General Fund and Special Funds Summary of Operating Transactions

	Budget 1990/91	Preliminary Actual 1990/91	Actual 1989/90[1]
		($ millions)	
General Fund:			
General Fund Revenue	15,260.0	15,280.5	13,903.3
General Fund Expenditure	15,260.0	15,181.1	13,766.7
General Fund Surplus (Deficit)	—	99.4	136.6
Budget Stabilization Fund:			
Opening balance	1,603.0	1,599.9	1,491.1
Transfer to General Fund	(684.0)	(926.0)	(52.2)
Interest earnings	160.0	164.6	161.0
Closing balance	1,079.0	838.5	1,599.9
Privatization Benefits Fund:			
Opening balance	422.5	420.9	308.5
Privatization proceeds	20.0	22.3	84.9
Investment earnings	32.0	30.4	39.1
Investment earnings transferred to General Fund	(30.0)	—	(11.6)
Closing balance	444.5	473.6	420.9

[1] Restated to reflect government structure and accounting policy at March 31, 1991. For comparative purposes, 1989/90 revenue and expenditure have been restated to include $400 million in contributions to school districts. Previously, this expenditure was funded directly from residential property taxes collected by municipalities on behalf of school districts.

General Fund expenditure totalled $15.2 billion in 1990/91, down slightly from budget, but up 10.3 per cent from comparable expenditure for the previous year. Included in General Fund expenditure was a $165 million interest payment to the Budget Stabilization Fund.

The 1990/91 General Fund surplus was $99 million, compared to a $137 million surplus reported for the previous year.

The March 31, 1991 closing balance of the Budget Stabilization Fund was $839 million, down $761 million from the beginning of the year.

The Privatization Benefits Fund had a closing balance of $474 million on March 31, 1991, up $53 million from the previous year. Proceeds from highway maintenance asset leases accounted for most of the privatization transactions during the year. The Privatization Benefits Fund earned investment income totalling $30 million.

The Consolidated Revenue Fund (General Fund, Budget Stabilization Fund and Privatization Benefits Fund) had a deficit of $609 million in 1990/91. Total financial requirements of $792 million for the year were met by increasing government direct debt by $517 million and decreasing cash and temporary investments by $275 million. Although the 1990/91 budget estimated that direct debt would fall $78 million, lower cash balances resulted in more of the government's financial requirements being met through borrowing.

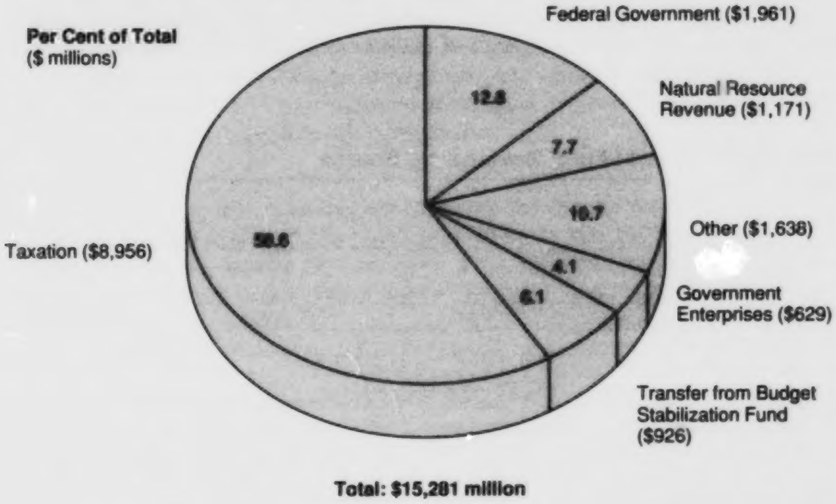
General Fund Revenue

During 1990/91, 58.6 per cent of General Fund revenue was derived from taxation, 7.7 per cent from natural resources, 4.1 per cent from provincial government Crown corporations and enterprises, 12.8 per cent from federal government transfers, 10.7 per cent from other sources, including fees, licences and investment income, and 6.1 per cent from the Budget Stabilization Fund.

Table 2.2 General Fund and Special Funds Financing Summary

	Budget 1990/91	Preliminary Actual 1990/91	Actual 1989/90
		($ millions)	
Financial Requirements:			
General Fund Deficit (Surplus)	—	(99.4)	(136.6)
Budget Stabilization Fund decrease (increase)	524.0	761.4	(108.8)
Privatization Benefits Fund decrease (increase)	(22.0)	(52.7)	(112.4)
Net disbursements (receipts) from financing and working capital transactions	259.8	182.8	(74.8)
Total Financial Requirements	761.8	792.1	(432.6)
Financial Sources:			
Net borrowing (retirement) for government purposes	(78.2)	517.3	(710.6)
Decrease (increase) in cash and temporary investments	840.0	274.8	278.0
Total Financial Sources	761.8	792.1	(432.6)

Chart 2.1 General Fund Revenue by Source, 1990/91



Taxation revenue of $9 billion was on budget and 7 per cent higher than in 1989/90. Personal and corporate income taxes are collected by the federal government and remitted to the province in monthly instalments based on federal government estimates. Due to stronger-than-expected personal income growth in 1990 and a significant prior year adjustment for 1989, personal income tax revenue for 1990/91 was $445 million above budget. Corporation income tax revenue for the year was $98 million below budget. A decline in Canadian corporate profits during 1990 resulted in lower-than-expected remittances from the federal government, which were partially offset by a favourable prior year adjustment for the 1989 taxation year.

Social service tax revenue of $2 billion was $206 million below budget and up only 1 per cent from the previous year. During the last three months of the fiscal year, revenue growth was particularly weak due to a slowdown in consumer and investment spending, partly related to the introduction of the federal goods and services tax on January 1, 1991. The drop in real estate activity during 1990 resulted in property purchase tax revenue being $128 million below budget and 33.4 per cent lower than in 1989/90.

During 1990/91, the provincial government assumed responsibility for residential school property taxes as part of the changes introduced for public schools financing. As a result, residential school property taxes are included as part of provincial revenue sources in 1990/91 (see Education Programs in Chapter 6).

Natural resource revenue of $1.2 billion was $101 million below the budget estimate and 6.3 per cent lower than the previous year. Forests revenue was $107 million under budget as timber sales volumes were 10 per cent below budget due to the effect of mill closures during the year. Revenue from petroleum and natural gas was $44 million above budget due to higher-than-expected auction results from the sale of Crown land drilling rights, while minerals revenue was down $38 million because of lower-than-expected assessments in 1990/91.

Table 2.3 General Fund Revenue by Source

	Budget 1990/91	Preliminary Actual 1990/91	Actual 1989/90
		($ millions)	
Taxation Revenue:			
Personal income	3,695.0	4,140.1	3,451.6
Corporation income	705.0	607.5	666.3
Social service	2,216.0	2,009.6	1,989.6
Property[1]	885.0	908.2	976.3
Fuel	590.0	555.0	502.3
Other	859.0	735.3	783.9
	8,950.0	8,955.7	8,370.0
Natural Resource Revenue:			
Petroleum and natural gas	236.0	279.7	227.2
Minerals	83.0	45.0	73.3
Forests	716.0	609.3	698.8
Water	220.0	221.9	236.1
Other	16.0	14.4	13.8
	1,271.0	1,170.3	1,249.2
Other Revenue:			
Fees and licences[2]	1,384.0	1,314.6	1,291.5
Investment income	83.0	110.3	166.6
Miscellaneous	119.0	213.2	140.8
	1,586.0	1,638.1	1,598.9
Contributions from Government Enterprises:			
Liquor Distribution Branch	447.0	446.7	419.6
British Columbia Hydro and Power Authority	124.0	114.2	101.1
Other	69.0	68.3	11.7
	640.0	629.2	532.4
Contributions from the Federal Government:			
Established Programs Financing	1,225.0	1,110.3	1,239.8
Canada Assistance Plan	716.0	715.9	686.5
Other	188.0	135.0	174.3
	2,129.0	1,961.2	2,100.6
Total Revenue	14,576.0	14,354.5	13,851.1
Transfer (to) from Budget Stabilization Fund	684.0	926.0[3]	52.2
General Fund Revenue	15,260.0	15,280.5	13,903.3

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[1] For comparative purposes, the 1989/90 actual has been restated to include $400 million of residential (school purpose) property tax, which is included as revenue in 1990/91. Previously, this revenue was collected by municipalities on behalf of school districts. Revenue is net of Home Owner Grants.

[2] For comparative purposes, the 1989/90 actual has been restated to include $16.6 million in recoveries by the Securities Commission and Provincial Treasury Special Accounts which are included as revenue in 1990/91. Previously, this revenue was deducted from expenditure.

[3] Includes an additional transfer of $242 million.

Contributions from the federal government of $2 billion were $168 million below budget and 6.6 per cent lower than in 1989/90. Established Programs Financing (EPF) cash contributions were $115 million below budget and down $130 million from the previous year. This decline was due to stronger personal income tax collections during 1990/91 and the federal government's freeze on growth in the per capita EPF entitlement. Higher personal income tax revenues mean that more of the EPF entitlement is paid through tax transfers.

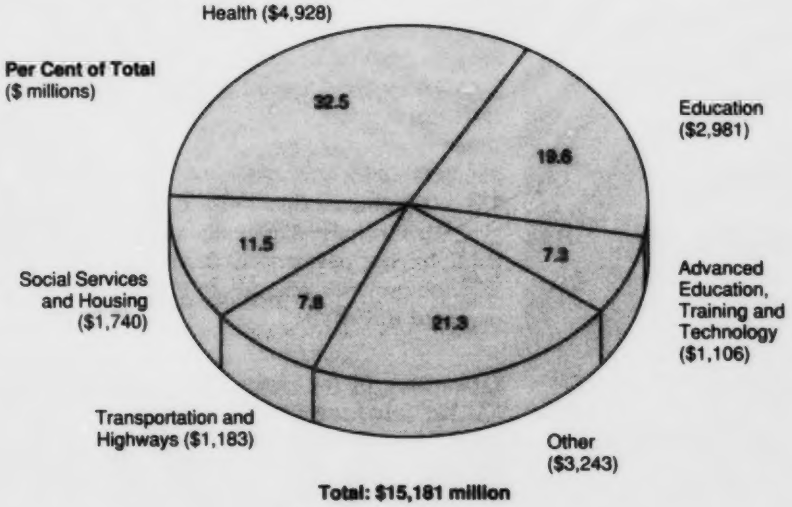
During 1990/91, recoveries under the federal-provincial Canada Assistance Plan (CAP) were on budget and up 4.3 per cent from 1989/90. The 1990/91 results include the effect of the August 1991 decision of the Supreme Court of Canada, which upheld the federal government's right to limit CAP contributions to the provinces beginning in 1990/91.

Total revenue of $14.4 billion in 1990/91 was $222 million below budget and up 3.6 per cent from the previous year. After a transfer of $926 million from the Budget Stabilization Fund, General Fund revenue totalled $15.3 billion, an increase of 9.9 per cent from 1989/90.

General Fund Expenditure

During 1990/91, five of the 26 government ministries and special offices accounted for over three-quarters of General Fund expenditure. These were the Ministries of Health, Education, Social Services and Housing, Transportation and Highways, and Advanced Education, Training and Technology. An additional 4.6 per cent of General Fund expenditure related to public debt interest and interest payments to the Budget Stabilization Fund.

Chart 2.2 General Fund Expenditure by Ministry, 1990/91



Ministry of Health expenditure of $4.9 billion was $126 million over the original budget estimate and up 12.6 per cent from the previous year. The major expenditure increases from last year were for hospital programs (up $237 million), the Medical Services Plan (up $139 million), the Continuing Care program (up $70 million) and the Pharmacare program (up $45 million).

Ministry of Education expenditure of $3 billion was down $41 million from the budget estimate, but up $362 million or 13.8 per cent from comparable spending in the previous year. This increase results mainly from increased contributions to school districts under the block funding arrangement which was introduced in 1990/91 (see Education Programs in Chapter 6).

Spending by the Ministry of Social Services and Housing during 1990/91 totalled $1.7 billion, $30 million above budget and up 11.3 per cent from 1989/90. The increase from budget was mainly due to higher income assistance spending caused by a higher-than-expected caseload. Major expenditure increases from the previous year were for income assistance programs (up $101 million), Rehabilitation and Support Services programs (up $33 million) and Services for Families and Children (up $18 million).

Expenditure of $1.2 billion by the Ministry of Transportation and Highways was $34 million below budget and down $15 million from 1989/90. During the year, spending on highway construction increased $69 million from the previous year. This increase was offset by a reduction in capital contributions to the British Columbia Ferry Corporation and British Columbia Railway Company as a result of prepayments made in 1989/90. Ministry spending in 1990/91 includes the first year impact of the five-year, $3.5 billion "Freedom to Move" provincial transportation plan.

Ministry of Advanced Education, Training and Technology expenditure of $1.1 billion was down 1.4 per cent from the budget estimate and up 12.4 per cent from the previous year. Compared with 1989/90, spending for Advanced Education Programs, including contributions to universities and colleges, was up 10.9 per cent, while expenditures on student financial assistance increased 25 per cent. As 1990/91 was the first year of the five-year, $420-million Science and Technology Fund Special Account, spending in this area increased 30 per cent to $29 million.

Expenditure for Management of Public Funds and Debt of $700 million was $54 million higher than the budget estimate and up $26 million from the previous year. This includes $165 million in interest payments to the Budget Stabilization Fund. Interest payments to third parties of $531 million were $21 million higher than the previous year due to interest rates and borrowing being higher-than-expected in 1990/91.

Expenditure by the Ministry of Energy, Mines and Petroleum Resources was up 27.1 per cent from 1989/90 due to the introduction of the Vancouver Island Natural Gas Pipeline Assistance (VIGAS) program. However, because of a lower-than-expected number of VIGAS grants paid during 1990/91, ministry spending was 34.6 per cent below budget.

Ministry of Municipal Affairs, Recreation and Culture expenditure of $362 million was $55 million below budget and $33 million higher than in 1989/90. While revenue sharing funds were fully committed, disbursements of conditional grants to municipalities and regional districts were lower-than-expected.

The Sustainable Environment Fund Special Account was created in 1990/91 to target funding for environment and reforestation programs. Because of program delays, spending for this area was 32.2 per cent below budget, but slightly higher than comparable expenditure for 1989/90.

Table 2.4 General Fund Expenditure by Ministry[1]

	Budget 1990/91	Preliminary Actual 1990/91	Actual 1989/90
		($ millions)	
Legislation	19.3	19.5	17.7
Auditor General	6.1	5.9	5.6
Ombudsman	3.1	3.1	2.7
Office of the Premier and Executive Council Operations	3.8	3.7	3.3
Advanced Education, Training and Technology	1,122.0	1,106.0	983.8
Agriculture and Fisheries	92.3	84.4	99.1
Attorney General	261.6	288.2	248.8
Crown Lands	40.2	43.5	62.9
Education[2]	3,021.8	2,981.3	2,619.6
Energy, Mines and Petroleum Resources	65.9	43.1	33.9
Environment	116.9	106.0	110.2
Finance and Corporate Relations	98.4	105.9	105.8
Forests	372.6	416.3	351.4
Government Management Services	37.0	32.6	29.1
Health	4,802.7	4,928.2	4,376.5
International Business and Immigration	32.9	31.3	31.3
Labour and Consumer Services	81.8	78.2	75.6
Municipal Affairs, Recreation and Culture	416.9	362.2	329.5
Native Affairs	5.5	4.7	8.3
Parks	37.1	35.9	34.3
Provincial Secretary	23.1	27.8	29.3
Regional and Economic Development	81.1	76.2	69.2
Social Services and Housing	1,710.2	1,740.1	1,564.1
Solicitor General	376.7	406.6	334.2
Tourism	24.9	24.1	23.1
Transportation and Highways	1,216.9	1,183.2	1,198.4
Other Appropriations:			
Management of Public Funds and Debt	646.0	[illegible]	674.1
Contingencies and New Programs	65.0	48.1	43.8
Lottery Fund Special Account	150.0	103.4	106.0
South Moresby Implementation — Forestry Compensation	34.9	0.6	0.3
Sustainable Environment Fund	293.3	198.9	194.8
Other[3]	—	8.5	—
General Fund Expenditure	15,260.0	15,181.1	13,766.7

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[1] Expenditure figures for 1989/90 and budget figures for 1990/91 have been restated to reflect the government structure as of March 31, 1991.

[2] For comparative purposes, the 1989/90 actual has been restated to include $400 million in contributions to school districts. Previously, this expenditure was funded directly from residential property taxes collected by municipalities on behalf of school districts.

[3] Includes adjustments for employee leave liability, pension chargebacks and valuation allowances.

Expenditure by the Lottery Fund Special Account was $44 million below budget, but the same as in the previous year, due to a lower-than-expected portion of grant commitments paid during 1990/91.

Overall, 1990/91 General Fund expenditure of $15.2 billion was $79 million less than budget and up 10.3 per cent from 1989/90.

Provincial Government Net Equity (Net Deficiency)

During 1990/91, the General Fund had a surplus of $99 million, while the Privatization Benefits Fund reported an increase of $53 million. The balance in the Budget Stabilization Fund decreased $761 million. As a result, the net deficiency (excess of financial liabilities over financial assets) of the combined General Fund and Special Funds increased from $2.7 billion at March 31, 1990, to $3.3 billion at March 31, 1991.

Table 2.5 Net Equity of General Fund and Special Funds

	Budget 1990/91	Preliminary Actual 1990/91	Actual 1989/90
		($ millions)	
General Fund	(4,692.9)	**(4,588.5)**	(4,687.9)
Budget Stabilization Fund	1,079.0	**838.5**	1,599.9
Privatization Benefits Fund	444.5	**473.6**	420.9
Net Equity (Net Deficiency)	(3,169.4)	**(3,276.4)**	(2,667.1)

Financing Process

Provincial government and Crown corporations incur debt by one of three financing methods:

- debt issued by the government for its own purposes;
- fiscal agency debt incurred in the name of the government with the proceeds re-lent to Crown corporations and agencies; and
- debt incurred by Crown corporations and others with a provincial government guarantee of the payment of principal, premium and interest.

Under its fiscal agency program, the government acts as a fiscal agent by borrowing directly in the financial markets and relending funds to Crown corporations and agencies. This program provides lower cost financing to Crown corporations because of the province's strong credit rating and reputation in financial markets. As well, a single borrower offering larger debt issues is able to borrow at lower rates. Over the past eight years, most Crown corporation borrowing has been done through the fiscal agency program.

Regardless of the borrowing method used, repayment of borrowing and financing costs remain the responsibility of the Crown corporation or agency. However, in certain cases the provincial government provides a contribution to pay for all or part of the debt service costs of an organization.

Recent legislative changes have allowed the provincial government to borrow funds in advance of receiving a formal loan request from a Crown corporation or agency. This enables the province to take a more proactive approach to funding the financial needs of Crown corporation and agencies, and to achieve further cost savings through strategic timing. Funds borrowed in advance of a request can then be invested to meet future financing requirements as they arise.

Chart 2.3 provides a breakdown by category of provincial direct and guaranteed debt outstanding at March 31, 1991. Appendix Table A2.11 provides further detail on the composition of net debt.

Government Direct Debt

The provincial government issues public debt as needed to finance government operations. At March 31, 1991, provincial government direct debt totalled $4.7 billion.

During 1990/91, total financial requirements of $792 million were $30 million higher than budget. These requirements were met by increasing direct debt by $517 million and reducing cash and temporary investments by $275 million. Although the 1990/91 budget estimated a reduction in debt of $78 million, lower cash balances resulted in more of the government's financial requirements being met through borrowing.

On a per capita basis, the provincial government's direct debt compares favourably with the direct debt of other Canadian provinces.

Guaranteed Debt and Fiscal Agency Debt

At March 31, 1991, total guaranteed and fiscal agency debt was $12.5 billion, an increase of $475 million from the previous year. Fiscal agency debt accounted for about half of the total.

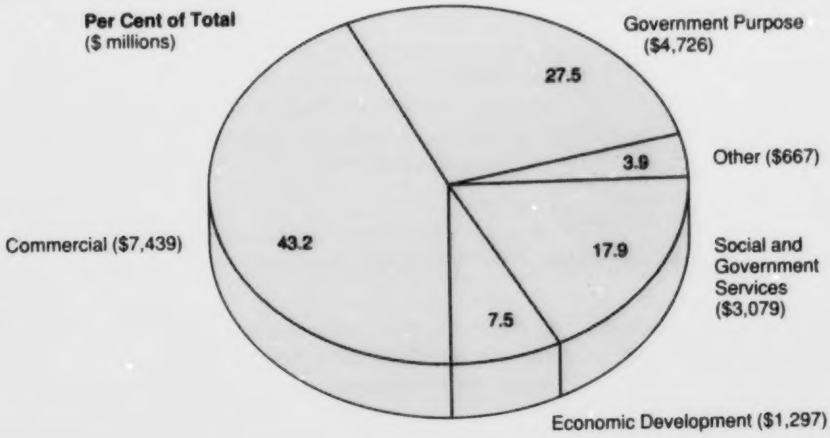
There are four categories of Crown corporations and agencies that receive provincial government loan guarantees and fiscal agency loans.

- **Commercial Crown corporations and agencies**, which include British Columbia Hydro and Power Authority and British Columbia Railway Company, generate revenue from the sale of services at commercial rates and pay their own operating expenses, including debt service charges.
- **Economic development Crown corporations and agencies** include British Columbia Ferry Corporation and British Columbia Transit. These corporations sell services directly to the public, but their revenues may not cover their operating expenses and debt servicing payments. Since these corporations provide economic benefits to the province, the government provides grants or other forms of assistance. During 1990/91, the provincial government contributed $40 million to British Columbia Transit to help service its debt.
- **Social and government services Crown corporations and agencies** incur debt largely to finance capital expenditures for the construction of hospitals, schools and post-secondary educational institutions. Capital expenditures are generally amortized over a 20-year period.

Debt service requirements are met through provincial grants or rental payments and, for hospitals, partly from local property tax levies. During 1990/91, the provincial government contributed $397 million to health and educational institutions for debt servicing.

- **Other debt** includes guarantees to private sector firms and individuals through various government programs including student financial assistance, loans to agriculture producers and guarantees issued under the British Columbia Home Mortgage Assistance Program. In addition, the provincial government offers fiscal agency financing to other public bodies such as local governments and universities.

Chart 2.3 Direct and Guaranteed Debt at March 31, 1991



Total: $17,202 million

Changes in Guaranteed and Fiscal Agency Debt 1990/91

During 1990/91, British Columbia Crown corporations and agencies increased their outstanding debt by $428 million. Changes included:

- Net borrowing for educational and hospital capital projects was $320 million;
- British Columbia Hydro and Power Authority increased its debt by $76 million;
- British Columbia Transit increased its debt by $51 million;
- British Columbia Railway Company increased its debt by $29 million; and
- British Columbia Buildings Corporation had net borrowing of $10 million.

During 1990/91, other debt and guarantees decreased by $9 million. Redemptions of B.C. Gas convertible bonds were partially offset by increased guarantees issued for student assistance and the British Columbia Home Mortgage Assistance Program.

Sinking Funds

In order to provide for the orderly repayment of debt, the provincial government and Crown corporations establish sinking funds for essentially all debt with a term of five years or more. At March 31, 1991, sinking fund balances totalled $5.5 billion for guaranteed, fiscal agency and government direct debt.

Credit Rating

During 1990, the four major credit rating agencies confirmed the provincial government's credit rating at their second highest level.

- Canadian Bond Rating Service, a Canadian credit rating agency, rates the direct and guaranteed debt of the provincial government at AA+.
- Dominion Bond Rating Service, another Canadian rating agency, rates the provincial government's long-term debt at AA and its short-term obligations at R-1 (middle).
- Standard and Poor's Corporation, a major U.S. credit rating agency, rates British Columbia Hydro and Power Authority's long-term debt and the provincial government debt obligations at AA+. The corporation rates the province's U.S. short-term debt at the highest level of P1.
- Moody's Investors Service, another major U.S. rating agency, rates B.C. Hydro's and the provincial government's debt obligations at Aa1. The corporation rates the provincial government's U.S. short-term debt at the highest level of A1+.

During 1991, these ratings have remained unchanged.

Trust Funds

Trust funds are administered by the government for external parties, but are not part of the provincial government's General Fund or Special Funds. At March 31, 1991, trust funds under administration totalled $23.1 billion. These included:

- Superannuation, pension and long-term disability funds established for public-sector employees totalling $13 billion.
- Sinking funds, established by the government, Crown corporations and other public bodies for the retirement of long-term debt, totalling $5.5 billion.
- Investment funds of the Workers' Compensation Board totalling $3.6 billion.
- Investment funds of Crown corporations, including working capital surplus to their immediate needs and funds for capital transactions, totalling $544 million.
- Public Trustee and Official Administrators trust funds totalling $354 million.
- Other trust funds, including Supreme and County Court suitors' funds, totalling $144 million.

Although the provincial government has no power of appropriation over trust funds, the cash and investments of the funds are managed by the Ministry of Finance and Corporate Relations. Most trust funds are invested in both short-term money market securities and long-term government bonds. The asset mix is continually adjusted to take advantage of the expected direction of interest rates. The current asset mix strategy calls for a 30/70 short-term/long-term allocation.

Trust funds may purchase investments permitted under the *Trustee Act* and the *Financial Administration Act*. The Investment Diversification Program, established in 1989, allows for investment in a wider range of asset classes including equities, real estate, mortgages and foreign securities. The program is designed to keep investment risk to a minimum and improve long-term return. Funds participating in the program include a number of provincially managed pension funds, Workers' Compensation Board funds and the province's Privatization Benefits Fund.

Other Liabilities

At March 31, 1991, unfunded pension liabilities totalled $468 million. This included $438 million for the provincial Public Service Superannuation Fund (as of March 31, 1990) and $30 million for the College Pension Fund (as of August 31, 1988). Contributions to these pension funds are determined by a level contribution funding method that maintains the unfunded liability as a constant percentage of future payrolls. Because the provincial government has statutory responsibility to meet the payment of these deficiencies, they are reported in the Public Accounts as contingent liabilities.

The amount of unfunded liabilities is adjusted every three to five years as new actuarial valuations are carried out. A new valuation was completed for the Public Service Superannuation Plan in April 1991, and the results show an $18 million decline in the unfunded liability. A report on the College Pension Fund is expected in 1992.

The provincial government also administers certain pension funds in trust on behalf of third parties, but does not have statutory responsibility to meet the payment of deficiencies for these funds.

Chapter Three
The Province and its People

3: The Province and Its People

Physical Attributes

Geography

British Columbia is located on Canada's Pacific coast, and has a land and freshwater area of 95 million hectares. It is Canada's third largest province and comprises 9.5 per cent of the country's total land area. The province is nearly four times the size of Great Britain, 2.5 times larger than Japan, and larger than any American state except Alaska.

British Columbia's 7,022 kilometre coastline supports a large shipping industry through ice-free, deep-water ports. The province has about 8.5 million hectares of grazing land, 1.8 million hectares of lakes and rivers, and 950,000 hectares of agricultural land that is capable of supporting a wide range of crops.

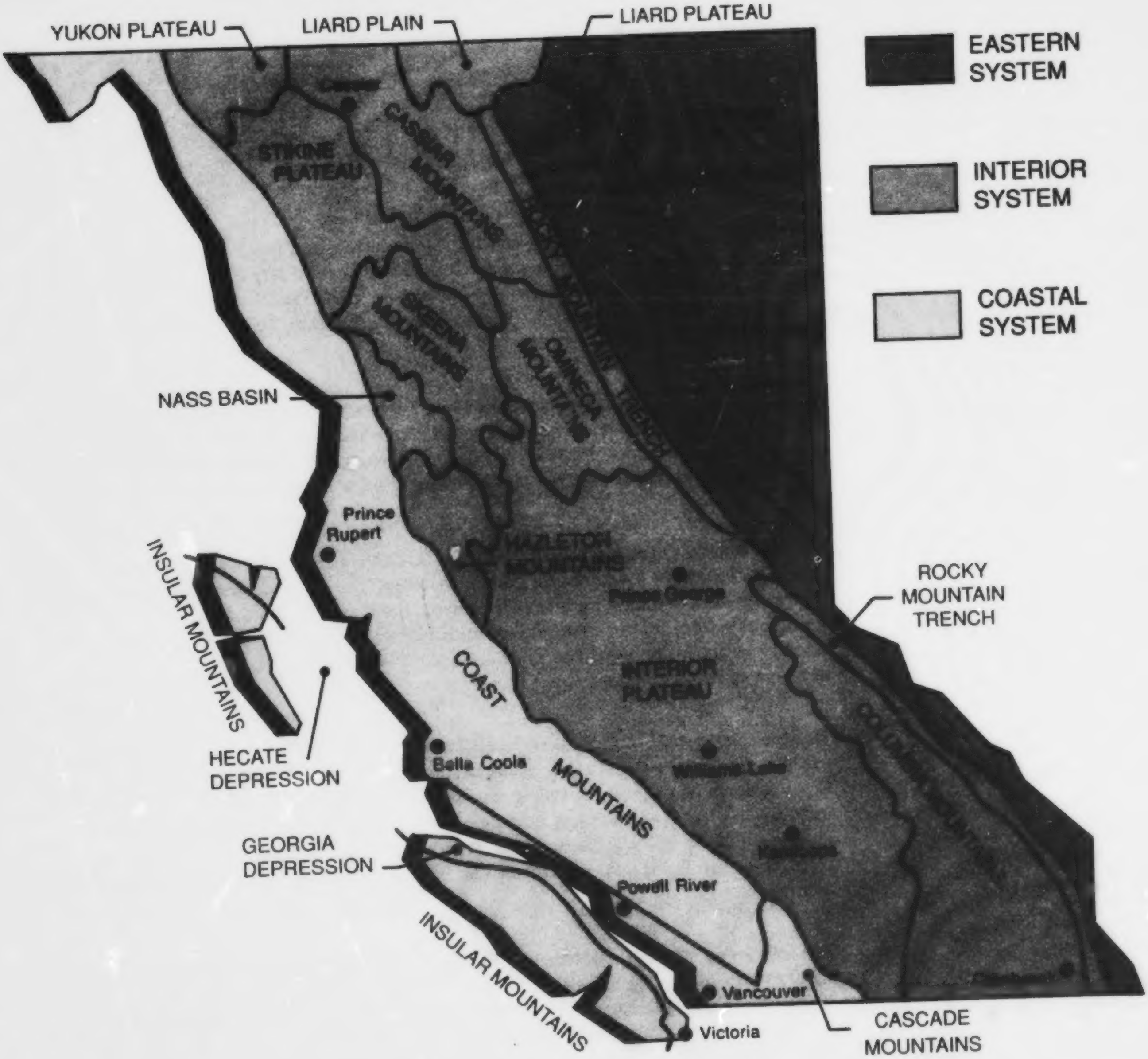
Physiography

British Columbia is characterized by mountainous topography, but also has substantial areas of lowland and plateau country. The province has three basic regions: a northwesterly trending mountain system on the coast, a similar mountain system on the east, and an extensive area of plateau and mountain country between the two. The northeastern corner of the province is lowland — a segment of the continent's Great Plains.

The western system of mountains averages about 300 kilometres in width and extends along the entire British Columbia coast and the Alaska panhandle. The Coast Mountains contain the tallest peaks in the province. The western system includes the Insular Mountains that form the basis of Vancouver Island and the Queen Charlotte Islands. These islands help to shelter the waters off the mainland coast of British Columbia, which form an important transportation route for people and products.

The interior of British Columbia is a plateau of rolling forest and grassland, 600 to 1,200 metres in average elevation. North of Burns Lake the interior becomes mountainous, but plateau terrain returns just south of the Yukon boundary in the area drained by the Liard River. The southern interior's water system is dominated by the Fraser River, which has a drainage area covering about one-quarter of the province. The Rocky Mountains, in the eastern mountain system, rise abruptly on the southern British Columbia-Alberta boundary and are cut by passes which provide dramatic overland transportation routes into the province. The Rocky Mountain Trench lies immediately to the west of the rockies. This extensive valley, the longest in North America, is a geological fault zone separating different earth plates. It is the source of many of British Columbia's major rivers, including the Peace, Columbia and Fraser.

Map 3.1 Physiographic Regions



Climate and Vegetation

Coastal British Columbia has abundant rainfall and mild temperatures associated with a maritime climate. The Pacific coast has an average annual rainfall of between 155 and 440 centimetres, while the more sheltered coasts of Vancouver Island and the mainland along the Strait of Georgia average between 65 and 150 centimetres. Canada's longest frost-free periods of over 180 days per year are enjoyed along the edges of the coastal zone and far inland along the Fraser River valley. Temperatures fall quickly up the steep slopes of the Coast Mountains. The predominant trees in this coastal region are the western hemlock, western red cedar and balsam (amabilis fir) in the wetter parts, and Douglas fir and grand fir in the drier areas.

The interior region of British Columbia has a mainly continental type of climate, although not as severe as that of the Canadian prairies. Considerable variation in climate occurs, especially in winter, as mild Pacific storms bring relief from cold spells. The southern interior has the driest and warmest climate of the province. In the valleys, annual precipitation ranges from less than 30 centimetres to 50 centimetres, while daily temperatures can average over 20 degrees Celsius in July and just under freezing in January. The climate becomes more extreme further north and precipitation increases. The frost-free period here is short and unreliable. Lodgepole pine is the dominant tree of commercial value in the interior.

The northeast region of the province is a northern extension of the western prairie region of Alberta. It has a continental climate that is more extreme than that of the northern interior region. However, it does have long hot summers and a frost-free period long enough to grow grain, forage and other crops.

Mineral Deposits

British Columbia has widespread mineral deposits. Copper is found along the coast and often occurs with molybdenum, iron and tungsten in the interior. The southeast has lead-zinc deposits, sometimes occurring with silver. Gold is found in several regions.

The northeast has oil and gas deposits east of the Rocky Mountains. Although no commercial discoveries of petroleum have been made west of the rockies, exploratory drilling has been done in the interior, the Fraser delta and on the continental shelf.

The northeastern and southeastern regions of the province and the east coast of Vancouver Island have extensive coal reserves.

Economic History

Prior to European settlement, British Columbia was populated by natives, predominantly on the coast and along the lower reaches of major salmon rivers. Their economy was based on hunting and harvesting an abundant supply of animal and plant life. This economy supported a vigorous and active culture.

European contact began in 1774 when a Spanish sailing ship commanded by Juan Perez anchored south of Nootka Sound. An extended visit by Captain James Cook to Nootka Sound in 1778 established Britain's interest in the region. The visit set the stage for the fur trade which flourished until the middle of the 19th century. Captain John Meares established a trading post at Nootka in 1877, loading a vessel with furs and wooden spars for shipment to China. This represented the first reported trade in timber from British Columbia.

Fur traders of the North West Company explored the interior of the province; Alexander Mackenzie, Simon Fraser and David Thompson each explored different routes from British North America to the sea. Alexander Mackenzie reached the Pacific Ocean near Bella Coola in 1793. Simon Fraser founded Fort St. James on Stuart Lake and Fort George at the confluence of the Nechako and Fraser Rivers in 1806 and 1807, respectively. Both were established in the name of the North West Company.

The North West Company and the Hudson's Bay Company amalgamated in 1821. In 1843, the Hudson's Bay Company established Fort Victoria as its western depot, in anticipation of the loss of its then current depot at Vancouver, Washington. In 1846, the Oregon Treaty established the United States-British Columbia border at the 49th parallel, 200 miles north of the lower Columbia River. The Hudson's Bay Company established the first mechanized sawmill in British Columbia near Victoria in 1848.

The discovery of gold in the Fraser River in 1858 attracted thousands of people to the area. Victoria, as the supply centre, was suddenly transformed from a trading post to a city. New Westminster, Hope and Yale also came into prominence as a result of the gold rush. However, the brief economic boom during the gold rush years did not provide a firm base for continued rapid growth.

Transportation

The lack of immigrants, capital and a large domestic market made the prospect of a rail link to eastern Canada attractive to British Columbia residents. In 1871, with the Dominion government's promise of an all-Canadian railway to the Pacific coast, British Columbia joined Confederation.

Completion of the Panama Canal in 1914 opened new markets in Europe, giving further impetus to the development of the forest industry, food processing and mineral smelting. Expansion of the province's ports facilitated the shipment of prairie grain.

World War II gave a boost to the British Columbia economy, increasing demand for the province's base metals and forest products. Construction of the Alaska Highway during the war, and service improvements to the Pacific Great Eastern Railway (now British Columbia Railway) proved of great benefit in opening up the northern and central areas of the province.

Forest Products

Major development of forest resources started after the completion of the Canadian Pacific Railway in 1886 and expanded with market conditions as transportation systems improved. Pulp production began in 1909, while Fraser Mills, near New Westminster, began producing plywood in 1913. Coastal sawmills exported lumber to world markets while interior sawmills found their first important market in the prairie settlement boom prior to World War I.

Pulp and paper mills, producing sulphite pulp and newsprint, were built at sites offering abundant water, energy and wood supplies. The rapid expansion of demand for paper products, associated with changed packaging techniques in the postwar period, shifted the emphasis to "kraft" or sulphate pulp.

Through the years, new technology has allowed greater use of the province's forest resources and increased the industry's efficiency and productivity.

Mining and Mineral Fuels

Mining activity began with the working of Vancouver Island coal deposits in the 1840s, but placer gold attracted the most attention in this early period. Production of lode gold and copper overshadowed other minerals until the 1920s when the huge Sullivan lead-zinc mine at Kimberley came into full production. In the 1960s, the emphasis again shifted to copper as new markets and technology permitted the development of large, low-grade, open-pit mines. Commercial production of gas and oil in the Peace River area began with completion of the main gas and oil pipelines in 1957 and 1961, respectively. The coal mining industry was reactivated in the late 1960s when Japanese steelmakers began purchasing large quantities of coking coal from British Columbia mines. Coal production increased dramatically in 1984 with the opening of northeast coal mines.

Fishing

The fishing industry has also been important throughout the economic history of the province. Salmon canning began in 1870 on the Fraser River, spreading quickly northwards. Canning made possible the export of salmon to distant markets. Some canning activity was displaced in the 1960s and 1970s by the development of freezing technology, which led to operations becoming more centralized in Vancouver and Prince Rupert. The 1970s also saw the development of a major roe herring fishery in the province's coastal waters and, in the 1980s, fish farming emerged.

Agriculture

Fur traders introduced agriculture to British Columbia in the first quarter of the 19th century in order to reduce their dependence on distant and costly sources of food. Grain, vegetables and fruit crops were grown, and dairy cattle and horses were kept at many trading posts. Demand for agricultural products increased considerably with the influx of goldseekers. Commercial farming and interior cattle ranching began during the mining booms. Activity expanded with the settlement of lands opened by the coming of the railways. Irrigation projects in the Okanagan and Kootenays, and land reclamation programs in the lower Fraser Valley and at Creston provided rich new productive capacity. Grain and seed crops began to be cultivated in the Peace River region after the turn of the century.

Manufacturing

Manufacturing in British Columbia has historically been resource based and dominated by the production of wood and paper products. However, the emergence of other manufacturing activities, particularly in the 1980s, provided greater diversification to the province's manufacturing sector. For example, British Columbia is now an important manufacturer of electronic products, communications equipment, plastics and clothing.

Tourism

Tourism emerged in the post-war period as one of the province's leading economic sectors. Rising income levels, more leisure time and improved transportation systems have resulted in increased provincial tourism activity in recent years. Tourism activity was given a further boost by Expo 86, the international exposition held in Vancouver, which recorded over 22 million visits and gave British Columbia worldwide exposure. Both Vancouver and Victoria boast world-class convention centres. In addition, considerable tourism-related development has taken place in recent years at Whistler, the international ski resort 124 kilometres north of Vancouver, and elsewhere in the province.

Recent developments in the province's industrial sectors are outlined in Chapter 4.

Population

The population of British Columbia on June 1, 1990 was estimated at 3,126,600 persons, an increase of 2.6 per cent from June 1, 1989. This was the highest percentage increase in population of any Canadian province over this twelve-month period. The most recent population estimate for British Columbia at June 1, 1991 shows continued strong annual population growth at 2.8 per cent. See Appendix Table A3.1 for municipal population estimates.

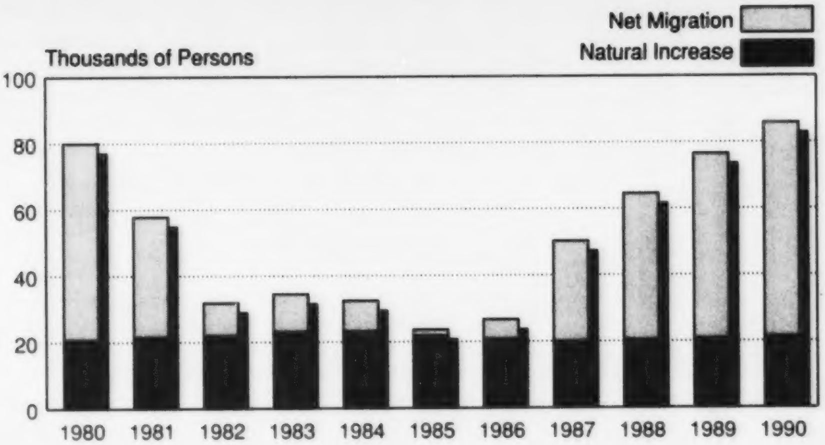
Historically, British Columbia has experienced population growth well above the national average. The province's population grew at an average annual compound rate of 1.6 per cent between 1980 and 1990, compared to 1 per cent for Canada. As a result, the province's share of national population increased from 11.1 per cent in 1980 to 11.8 per cent in 1990.

Components of Population Change

Population change can be divided into two components: migration, which encompasses both the movement of people to and from the province, and natural increase, which is the net of births minus deaths. Migration has always been an important factor in British Columbia's population growth. Of the people currently living in British Columbia, slightly less than half were born here, 30 per cent migrated from elsewhere in Canada, and the rest migrated from other countries. British Columbia is the only province where a majority of its citizens were born outside its boundaries.

Over the past ten years, net migration has accounted for 55 per cent of the province's population growth, with natural increase contributing the remaining 45 per cent. As shown in Chart 3.1, there have been significant variations in the relative importance of the two components of population change. Natural increase has remained stable, while net immigration has depended heavily on prevailing economic conditions. For example, during the period of slower economic growth between 1982 and 1986, net migration to the province was low which accounted for the relatively low levels of population growth.

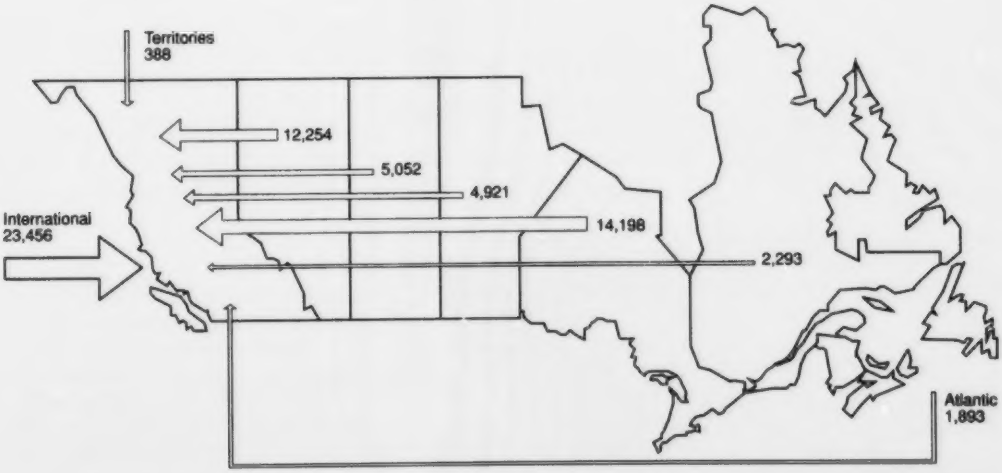
Chart 3.1 Components of British Columbia Population Change



Source: Statistics Canada

Currently, migration to British Columbia is high compared to that experienced through much of the 1980s. During 1990, strong net inflows of population were recorded from all areas of Canada, particularly from Alberta and Ontario (see Map 3.2). In addition to those arriving from other provinces, there was a net gain in population of 23,500 persons who entered from other countries, bringing the net inflow of migrants to the province to 64,400 in 1990. This represents the largest annual net migration inflow since records were first kept in 1962. For more detail on immigration, see the accompanying topic box.

Map 3.2 Net Population Movement (Calendar Year 1990)



Note: Net population movement represents total inflow less total outflow.

Source: Statistics Canada

Recent Immigration to British Columbia

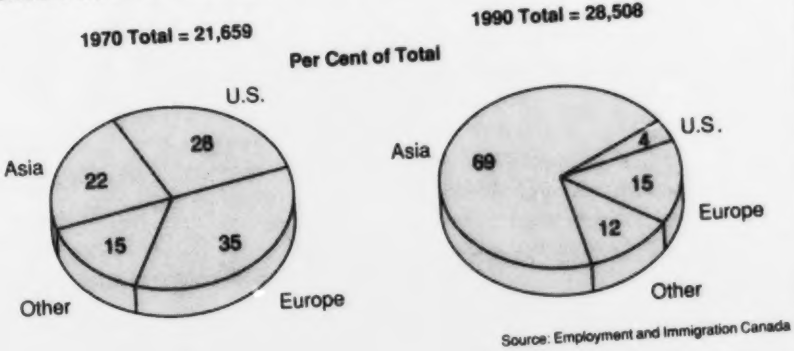
Changing Immigration Patterns

Over the past two decades, immigration levels and the countries of origin of immigrants have changed dramatically. These changes have been caused by shifts in immigration policy, as well as changing political and social conditions. British Columbia typically accounts for 12 to 17 per cent of Canadian immigration.

British Columbia has been attracting a larger share than other provinces of business immigrants coming to Canada. This is due partly to the Government of British Columbia actively promoting investment and small business development through its business immigration programs.

In the past, the majority of immigrants have come from Europe and the United States. Recently, nearly 70 per cent of the immigrants to British Columbia have come from Asian countries, particularly from Hong Kong. There are many reasons for this influx. A considerable number of Hong Kong immigrants are concerned about China regaining control over Hong Kong in 1997. In addition, British Columbia's expanding economic presence in Pacific Rim countries, its political and social stability, and its established Asian communities make it an attractive location.

British Columbia Immigration by Source, 1970 vs. 1990



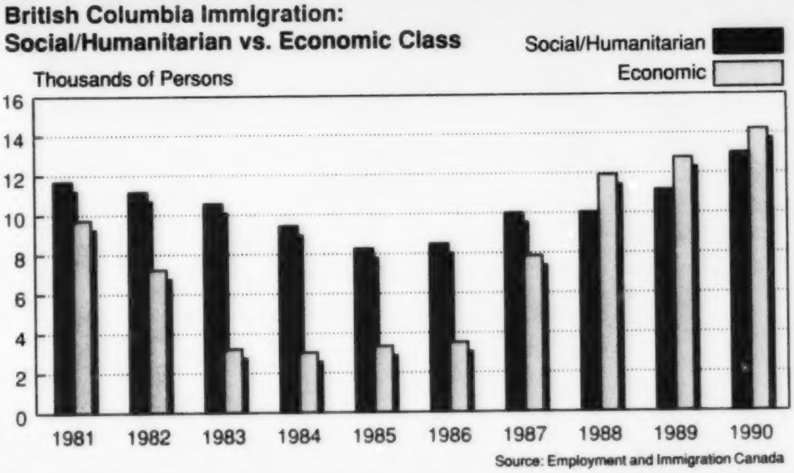
Source: Employment and Immigration Canada

Types of Immigrants

Currently, there are three broad categories of immigrants:

- *social and humanitarian* family members of Canadian citizens and refugees;
- *economic* business immigrants and workers whose skills are in demand; and
- *retiree* self-sufficient individuals aged 55 and over.

In the last few years, relatively more immigrants have been admitted to Canada under the economic category. The federal government attempts to maintain a balance between the themes of economic development and family reunification and humanitarian immigration in its immigration policy. As a result, approximately 50 per cent of the immigrants to British Columbia are admitted in the economic category, 46 per cent are admitted for social or humanitarian reasons and the rest are retirees. This is a change from 1984 when the economic classes represented only 22 per cent of total immigration to British Columbia.



Source: Employment and Immigration Canada

Characteristics of Immigrants

There are two major characteristics of British Columbia immigrants. The first is that over 80 per cent of immigrants settle in the Vancouver metropolitan area and the second is that they tend to be younger than the general population. In 1990, the median age of the population of British Columbia was 34.5 years, whereas that of immigrants was 28.3 years. The inflow of younger immigrants will help offset the aging of the population, as well as augment overall population growth, both of which are objectives of current federal immigration policy.

The Effects of Immigration

New immigrants provide many benefits. Research by the Economic Council of Canada, Employment and Immigration Canada, and the Institute for Research on Public Policy has shown that immigration tends to expand the number of firms in the province, thus creating jobs over the longer term. The Economic Council of Canada's study, *New Faces in the Crowd*, concludes that costs associated with immigrants are outweighed by the contributions they make to our society. Besides the economic advantages of development and investment, immigrants provide diversity and bring new ideas to British Columbia.

However, the issue of immigration to Canada is not without controversy. There are people who believe that immigrants are a net cost to society and that immigrants take jobs from Canadian-born workers. These misconceptions may arise from the fact that services such as English language training for immigrants are highly visible costs to society, while benefits from immigration tend to be less obvious.

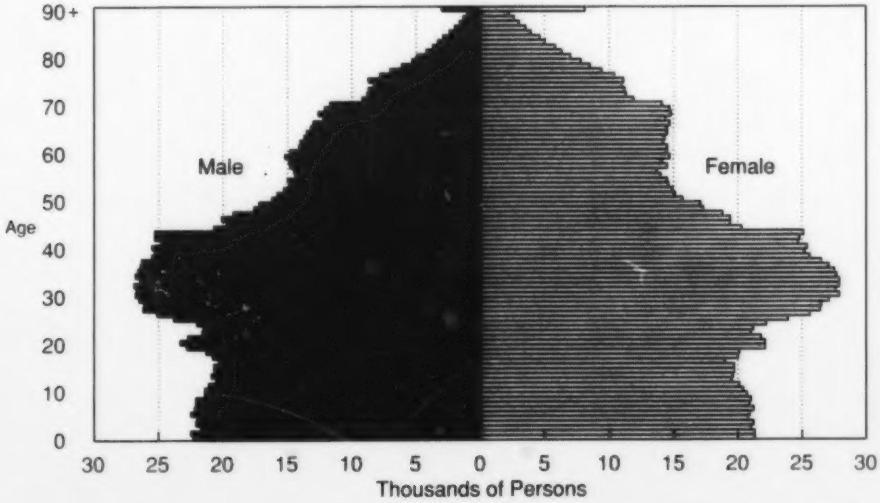
The Future

Immigration to British Columbia has ranged from a high of 34,500 in 1974 to a low of 12,200 in 1985. The federal *Immigration Plan for 1991-1995*, announced in October 1990, provides higher immigration planning levels. Therefore, as we enter the 1990s, immigration to British Columbia can be expected to increase to 35,000 persons annually. New immigrants and the Canadian-born population will need to work together to maintain and enhance the cohesive multicultural society that has developed in this province.

Age Structure of the Population

Changes in birth rates over the last few decades have had an important impact on the age structure of the British Columbia population. Much of the variation in the size of each age group is attributable to the effects of the postwar baby boom and the subsequent drop in birth rates. As well, high inflows of typically young immigrants have contributed to the age structure.

Chart 3.2 British Columbia Population by Age and Sex, 1990



Source: Ministry of Finance and Corporate Relations

The effects of the baby boom can be clearly seen in the bulge in population between the ages of 25 and 44. In 1990, 33 per cent of the provincial population was in this age group, compared to 30 per cent in 1980. In the future, as the baby-boom generation ages, significant increases in the consumption of products and services demanded by an older population can be expected.

In British Columbia, as in the rest of Canada, the average age of the population has been steadily rising. Since 1980, the number of persons in the school age population (5 to 17 years) has remained constant, while the number of young adults (18 to 24 years) declined by 35,000. By contrast, the number of British Columbians aged 65 and older increased by 121,000 over the last decade and now accounts for 13 per cent of total population (see Table 3.1). The median age of British Columbia's population is now 34.5 years, compared to 30.6 years in 1980.

Table 3.1 British Columbia Population by Age Group

Age Group at June 1,	1980		1990		Change 1980–1990
	(000)	(per cent)	(000)	(per cent)	(per cent)
0–4	186	7.0	216	6.9	16.1
5–17	538	20.2	539	17.2	0.2
18–24	341	12.8	306	9.8	−10.3
25–44	790	29.6	1,034	33.1	30.9
45–64	524	19.7	624	20.0	19.1
65 and over	286	10.7	407	13.0	42.3
Total[1]	2,666	100.0	3,127	100.0	17.3

[1] Totals may not add due to rounding.
Source: Statistics Canada.

Regional Population Growth

During the past 10 years, there has been a significant change in regional growth patterns within the province (see Table 3.2). Up until the 1981-82 recession, all of the province's regions had growing populations. Since 1982, only the Lower Mainland/Southwest region has continued to show relatively strong population growth. During the past four years, the Vancouver Island and Thompson/Okanagan regions have experienced a return to the strong growth patterns of the pre-recessionary period. Population losses have been recorded by most other regions of the province since 1982, but all development regions experienced population growth between 1989 and 1990.

Table 3.2 British Columbia Population by Development Region (June 1)

Development Region	1980	1985	1990	Change 1980–1985	Change 1985–1990
		(thousands)		(per cent)	
Vancouver Island/Coast	497.7	536.2	585.0	7.7	9.1
Lower Mainland/Southwest	1,409.5	1,538.0	1,753.1	9.1	14.0
Thompson/Okanagan	324.6	344.6	364.3	6.2	5.7
Kootenay	134.9	137.1	128.8	1.6	−6.1
Cariboo	145.1	152.1	144.6	4.8	−4.9
North Coast	63.6	64.0	62.5	0.6	−2.3
Nechako	38.5	40.4	38.8	4.9	−4.0
Northeast	52.0	57.7	54.6	11.0	−5.4
British Columbia[1]	2,666.0	2,870.1	3,131.7	7.7	9.1

[1] Totals may not add due to rounding.
Source: Ministry of Finance and Corporate Relations.

Much of the population loss can be attributed to a restructuring in many of the resource-based industries in these areas. This, coupled with the increasing importance of the service sector, resulted in declining populations in outlying areas in favour of the province's larger metropolitan areas.

Labour Market Developments in the 1980s

Prior to the 1981-82 recession, provincial employment reached a record high of 1,270,000 in 1981 and the unemployment rate of 6.7 per cent was at its lowest level since 1974.

The recession had a significant impact on the provincial, as well as the Canadian, labour market. In British Columbia, employment declined by 80,000 between 1981 and 1983, and did not return to the pre-recession level until 1986. Because of this decline in employment, the unemployment rate rose to a peak of 14.7 per cent in 1984. Since then, it has declined to 8.3 per cent in 1990.

Since 1985, British Columbia labour market conditions have improved substantially. Over the five-year period between 1985 and 1990, employment grew by 249,000, while the number of unemployed persons declined by 68,000. (See Chapter 1 and Appendix Table A3.2 for further details on labour market conditions).

Labour Force

The increase in the average age of the population has also affected the age distribution of the labour force. In 1990, 18.7 per cent of the labour force was in the 15-to-24 year age group, compared with 25.6 per cent in 1980 (see Table 3.3). Population forecasts indicate that the size of the 15-to-24 age group will decline further relative to the older age groups over the next 15 years. This reflects the aging of the baby boom generation and a decline in fertility rates in the 1960s and 1970s.

Table 3.3 British Columbia Labour Force by Age Group

Age Group	1980		1990	
	(000)	(per cent)	(000)	(per cent)
15–24	333	25.6	299	18.7
25–44	617	47.4	872	54.5
45–64	329	25.3	409	25.5
65 and over	22	1.7	22	1.4
Total[1]	1,301	100.0	1,601	100.0

[1] Totals may not add due to rounding.
Source: Statistics Canada.

The trend toward increased economic activity by women has had a significant impact on the composition of the provincial labour force. Between 1980 and 1990, the female participation rate (the percentage of women aged 15 years and over who are in the labour force) rose from 50.1 per cent to 58.1 per cent and is expected to increase further. The male participation rate decreased from 78.6 per cent to 74.3 per cent over the same period, while the overall participation rate increased from 64.1 per cent to 66 per cent. As a result, the proportion of the labour force comprised of women has grown steadily, from 39.7 per cent in 1980 to 45 per cent in 1990.

Table 3.4 British Columbia Labour Force Activity by Sex

		1980			1990	
	Males	Females	Total[1]	Males	Females	Total[1]
Population 15 years and over (000)	999	1,030	2,028	1,186	1,239	2,425
Labour force (000)	785	516	1,301	881	720	1,601
Participation rate (per cent)	78.6	50.1	64.1	74.3	58.1	66.0

[1] Totals may not add due to rounding.
Source: Statistics Canada.

In order for the British Columbia economy to prosper in today's competitive international marketplace, a skilled and well-educated labour force is essential. In 1990, 51.6 per cent of the labour force had attended or had graduated from a post-secondary institute, compared with 33.2 per cent in 1980. The proportion of those in the work force who had completed some type of post-secondary education — university degree, college certificate or diploma, or trade certificate — rose from 21.7 per cent to 39.5 per cent during this period.

Table 3.5 British Columbia Labour Force by Level of Education

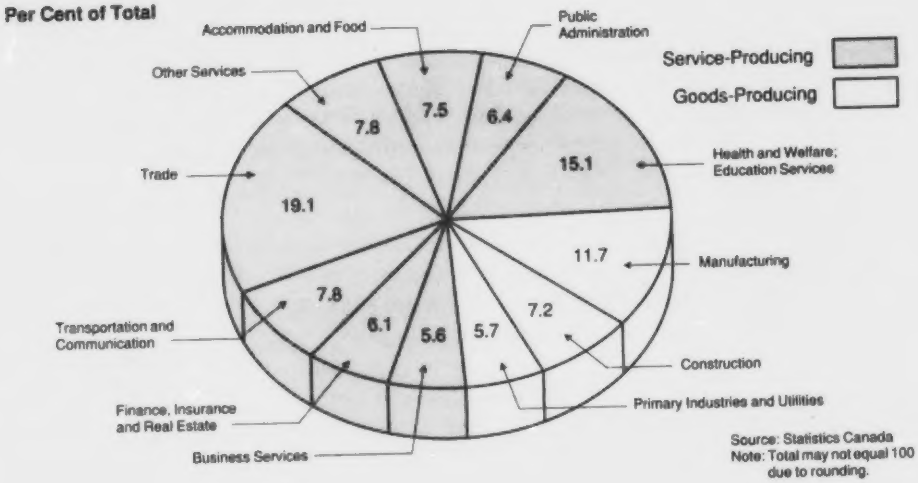
Level of Education	1980		1990	
	(000)	(per cent)	(000)	(per cent)
0–8 years	112	8.6	74	4.6
9–13 years	758	58.3	701	43.8
Some secondary	—	—	*273*	*17.1*
Graduated from high school	—	—	*428*	*26.7*
Some post-secondary	149	11.5	193	12.1
Post-secondary certificate or diploma	123	9.5	418	26.1
University degree	159	12.2	215	13.4
Total[1]	1,301	100.0	1,601	100.0

[1] Totals may not add due to rounding.
Source: Statistics Canada.

Employment

Over the past 10 years, the service-producing sector of the British Columbia economy has grown more rapidly than the goods-producing sector, reflecting the trend in Canada and other developed countries. Between 1980 and 1990, employment in the province's service sector increased from 860,000 to 1,108,000, a gain of 248,000 jobs or 28.8 per cent. In contrast, goods-producing employment increased marginally from 352,000 in 1980 to 361,000 in 1990, an increase of only 9,000 or 2.6 per cent. As a result, the service-producing sector's share of total employment rose from 70.9 per cent to 75.4 per cent over this period.

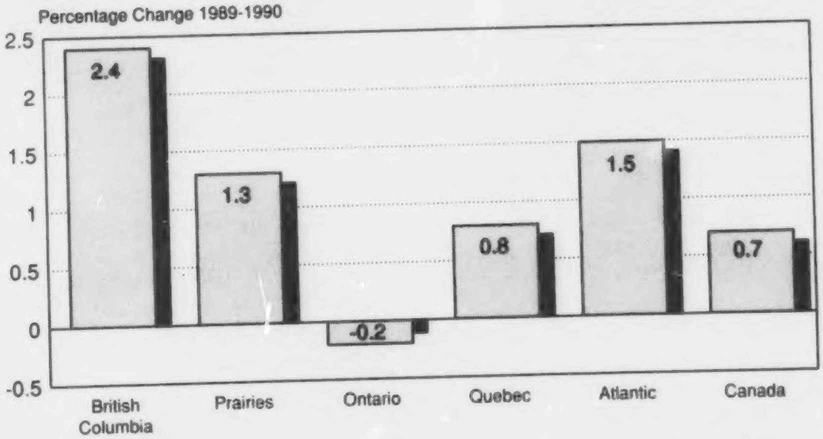
Chart 3.3 British Columbia Employment by Sector, 1990



Source: Statistics Canada
Note: Total may not equal 100 due to rounding.

The shift in employment between the service-producing and goods-producing sectors affected the regional distribution of employment. Between 1980 and 1990, the Lower Mainland's share of provincial employment rose from 57.5 per cent to 59.6 per cent, Vancouver Island's share declined slightly from 16.8 per cent to 16.7 per cent, while the rest of the province dropped from 25.7 per cent to 23.7 per cent. This shift reflects the relatively greater reliance of the outlying regions of the province on goods-producing industries. During 1990, employment in British Columbia increased 2.4 per cent, exceeding the Canadian growth rate of 0.7 per cent.

Chart 3.4 Employment Growth in Canadian Regions



Source: Statistics Canada

Unemployment

In 1990, the provincial unemployment rate was 8.3 per cent, compared to the Canadian average of 8.1 per cent. Despite its higher-than-average unemployment rate, British Columbia remains an attractive destination for workers from other provinces as indicated by a large inflow of working-age migrants in recent years.

The average duration of unemployment for British Columbians was 16.1 weeks in 1990, below the peak of 25.3 weeks recorded in 1985. Older persons experienced more difficulty in finding employment with the duration of unemployment for persons aged 45 years and over averaging 23.7 weeks in 1990.

In 1990, the provincial unemployment rate for females was 8.4 per cent compared to 8.2 per cent for males. Females tend to have a higher unemployment rate partly because they enter and exit the labour force more frequently. However, the male unemployment rate exceeded the female rate during the recession when the male dominated goods-producing sector was more severely affected than the service-producing sector.

Income

Average weekly earnings in British Columbia increased 4.9 per cent to $515.91 in 1990, and were higher than in all other provinces except Ontario. On an industry basis, average weekly earnings were highest in the mining industry, followed by the forestry industry.

Personal income, which comprises all forms of income accruing to individuals, reached $70 billion in 1990, up 8.6 per cent from 1989. On a per capita basis, average personal income for British Columbians was $22,516 in 1990. Total wages and salaries, the largest component of personal income, totalled $39.9 billion in 1990, an 8.5 per cent increase from 1989.

Table 3.6 Average Weekly Earnings in British Columbia by Industry

Industry	1980	1989	1990
		(dollars)	
Forestry	430.56	707.94	724.25
Mines, quarries and oil wells	470.83	836.57	869.32
Manufacturing	377.95	617.11	648.51
Construction	419.67	574.89	602.98
Goods-producing industries	n.a.	628.29	656.44
Transportation, communication and other utilities	390.71	637.93	676.30
Trade	269.11	380.05	402.85
Finance, insurance and real estate	315.11	536.31	534.41
Community, business and personal services	273.75	394.28	420.39
Public administration	n.a.	623.87	668.09
Service-producing industries	n.a.	450.73	475.26
Industrial aggregate	324.12	491.63	515.91

n.a.: not available.
Source: Statistics Canada.

Regional Profiles

There are eight development regions in the province. The following provides an overview of each region. (For a complete map of British Columbia's development regions, refer to the fold-out map at the front of the publication).

Vancouver Island/ Coast Region

The Vancouver Island/Coast region comprises all of Vancouver Island, numerous smaller islands and a section of the coastal mainland stretching from Powell River to Bella Coola. Rugged mountains predominate, except for a narrow coastal plain extending along the east coast of Vancouver Island. The region covers 9.8 per cent of the total land area of the province and accounts for 18.7 per cent of the population.

Transportation in the region is provided via the Island Highway, which runs the length of Vancouver Island and is now being widened. The Gold River and Tofino highways provide easy access to the west coast, and B.C. Ferries links Vancouver Island with the Lower Mainland.

The region is second only to the Lower Mainland/Southwest for both population and economic activity. Its population is concentrated in Victoria, the provincial capital and a major trade, tourism, education and public administration centre. Elsewhere, primary and resource-related manufacturing industries provide the region's main economic support with forest products in the leading role. There are six pulp and paper mills on Vancouver Island and one at Powell River; logging and sawmilling activity is widespread. Farming, commercial and sport fishing, aquaculture and mining (the latter near Campbell River and Port Hardy and on Texada Island) are well represented. Tourism and the retirement industry also contribute to economic activity, particularly in the southern part of the region.

Mainland/Southwest Region

The Mainland/Southwest region is geographically the smallest development region with only 4.2 per cent of the province's land area. It is, however, the most populous region by far with 56 per cent of the province's population. The region consists of the flat lower Fraser Valley, associated uplands and the mountains that border them. It also encompasses part of the adjacent mainland coast connected to Vancouver by the coastal ferry system, as well as the Squamish and Lillooet River valleys which are linked to Lillooet through Anderson and Seton Lakes.

The Lower Mainland is the leading centre for many of the activities in the province, including manufacturing, services, trade, farming and fishing. The urban centre of Greater Vancouver is the hub for most financial, educational, tourist, transportation, cultural and industrial activity in the region, while the resource industries play a major role in the less densely populated areas of the region. The forest industries are particularly significant in the Squamish, Lillooet, Hope-Fraser Canyon, Sunshine Coast, Kent-Harrison and Mission areas. In the Squamish area, railcar maintenance, port operations and tourism provide additional economic support. In the Chilliwack area, agriculture is the dominant resource activity.

Thompson/Okanagan Region

The Thompson/Okanagan region covers the Okanagan, Similkameen and North Thompson valleys, as well as the Trans Canada Highway-CP Rail corridor from the Alberta boundary to the Fraser Canyon at Lytton. It contains 10.8 per cent of the provincial land area and 11.6 per cent of the population.

Manufacturing, tourism and transportation services broaden the regional economy, but mining, forestry and agriculture provide the primary economic support. The Okanagan Valley contains most of the province's orchards and vineyards, while much of the western and northern sections are prime cattle range. Forest industry activity is widespread, but the only pulp mill is located at Kamloops. The Highland Valley area, southwest of Kamloops, contains a number of copper-molybdenum mines, which recently consolidated into a single operation that is the second largest in the world. There is also a large copper mine near Princeton and a precious metals mine near Hedley. Mineral exploration activity is extensive and additional mining developments are anticipated given favourable prices. Kamloops and Kelowna are the region's largest communities, with broad local economies based on trade, administration, services and manufacturing. Tourism and the retirement industry provide considerable economic benefit, particularly in the Okanagan and Shuswap areas.

Kootenay Region

The Kootenay region borders the United States and is sandwiched between Alberta and the Okanagan Valley. It represents 6.7 per cent of the provincial land area and contains 4.1 per cent of the population. The terrain is mountainous; a series of north-south oriented valleys are separated by high mountain ranges and contain a number of reservoirs for power generation facilities (Columbia and Kootenay River waterways). The only large flat area is at Creston where agriculture dominates the local economy. Five large lakes - Kootenay, Upper and Lower Arrow Lake, Slocan, Duncan and Lake Koocanusa, cover extensive areas of the region.

Most economic activity in the region hinges on the mining and forestry industries. Mining and mineral processing are dominant at Trail (non-ferrous smelter complex), Kimberley (lead-zinc mine) and the Fernie-Elkford area (coal mines). Logging and timber processing activities are widespread; pulp mills are located at Castlegar and Skookumchuk. Agriculture, manufacturing and tourism also contribute substantially to the regional economy. Cattle ranching is the main agricultural activity around Grand Forks and in the Rocky Mountain Trench. Cranbrook is the regional centre for trade and services in the eastern part of the region, while Nelson serves as the main administrative centre for the west Kootenay area.

Cariboo Region

The Cariboo region encompasses 13.5 per cent of the province's land area and 4.6 per cent of the population. Bounded by high mountains on the east and southwest, the region is primarily a high, rolling-to-hilly plateau. It is heavily forested, but lower elevations provide excellent areas for raising beef cattle. The Fraser River loops through the region, forming the boundary between the Chilcotin and Cariboo districts.

The region's southern portion is the centre of cattle ranching in British Columbia. Forestry provides the main economic support throughout the region. Pulp mills at Quesnel, Prince George and Mackenzie use wood fibre supplied from well beyond the region. There is a large open-pit copper-molybdenum mine located near Williams Lake, and mineral exploration is widespread. The area from Quesnel to Barkerville has a long history of gold mining. Prince George has developed as the leading trade, administration and manufacturing centre in the northern part of the province on the strength of its central location on the rail and highway systems. Tourism is increasing in importance to the economy as the demand for "packaged" expeditions grows.

North Coast Region

The North Coast region borders the Pacific Ocean and the Alaska Panhandle and includes the Queen Charlotte Islands. It is the fourth largest of the eight development regions, covering 12.5 per cent of the province. The region includes only 2 per cent of the provincial population and most of the residents are concentrated between Prince Rupert, Terrace, Kitimat and Hazelton. Rugged mountains and deeply cut river valleys characterize the diverse topography of the region.

Highways 16 and 17 provide east-west and north-south links, respectively. CN Rail provides rail transport, and scheduled air service links the Queen Charlottes, Prince Rupert, Terrace and Kitimat with southern centres. Prince Rupert has a deep sea port and another for Kitimat is being studied.

The economy of the region is as diverse as its topography. The coastal communities rely heavily on fishing and fish processing. There is extensive logging on the Queen Charlotte Islands and in the southern half of the mainland portion of the region. Pulp and paper mills are located at Prince Rupert and Kitimat, and major sawmills at Terrace, Kitwanga and Hazelton. Mining and forestry are the chief economic activities in the Stewart area. Prince Rupert and Terrace are the leading administrative centres for the region. Kitimat was established in the early 1950s to house Alcan's aluminum smelter complex, but its industrial base has since expanded to include forest products and petrochemical production. Tourism is providing new opportunities in much of the region.

Nechako Region

The Nechako region is the second largest of the development regions, containing 20.7 per cent of the provincial land area but only 1.2 per cent of the population. The bulk of the population lives in communities along the rail-highway corridor from Smithers to Vanderhoof and Fort St. James. Primary transportation links between these communities are Highway 16, running east-west, and Highway 37 running north through Dease Lake to the Yukon. Daily flights connect Smithers with Vancouver. The terrain is composed of a high, rolling or hilly plateau bounded by rugged mountains on the west and northeastern borders. There is little or no commercial forest cover in the northern half, but forests are extensive in the south where they support a large part of the local economy.

The mining industry forms the economic base in Atlin, Cassiar, Dease Lake, Fraser Lake and Granisle. Large mines are located near Fraser Lake (molybdenum), Houston (copper, gold, silver), Granisle (copper) and Cassiar (asbestos, gold). Widespread mineral exploration and development is currently centred on precious metals, but large deposits of base metals (copper-gold at Mount Milligan) and coal (at Mount Klappan and Telkwa) offer future potential. Due to the climate and terrain, agricultural activity is limited to the Bulkley Valley at Smithers and an area west of Vanderhoof, although cattle ranches are found south of Burns Lake as well.

Northeast Region

The Northeast region is the largest of the development regions. It represents 21.8 per cent of the land area of the province and 1.7 per cent of the population. Generally, the terrain is flat in the north and east, and mountainous in the south and west. The central part of the region extends westward beyond the Rockies into the Omineca Mountains, an area where lode gold mining has commenced and a number of promising metallic mineral deposits have been discovered.

Grain, forage crops and beef cattle traditionally provided the economic base of the triangle extending from Chetwynd to Dawson Creek and Fort St. John. Over the past three decades, the forest industry, oil and natural gas, and hydroelectric power projects have provided much of the region's economic growth. In the 1980s, growth was largely attributable to the development of coal mines southwest of Dawson Creek in the vicinity of the new community of Tumbler Ridge. Tourism is increasing in significance in the region.

Chapter Four

Industrial Structure and Performance

4: Industrial Structure and Performance

Introduction

The province's rich endowment of natural resources and their development form the backbone of British Columbia's economic structure. Large export earnings of the province's forest, mining and other resource sectors provide the impetus for capital investment and an economic base for large numbers of business services.

The province's relatively small population is unable to support local production of a full range of consumer goods or provide a major market for natural resource products. Therefore, extensive trading relationships have developed with the rest of the world for both resource-based exports and non-domestically produced imports. This means that economic activity in all sectors is dependent on developments in world markets and fluctuations in internationally-determined commodity prices. Past swings in world commodity prices have subjected the provincial economy to periods of rapid growth followed by slowdowns.

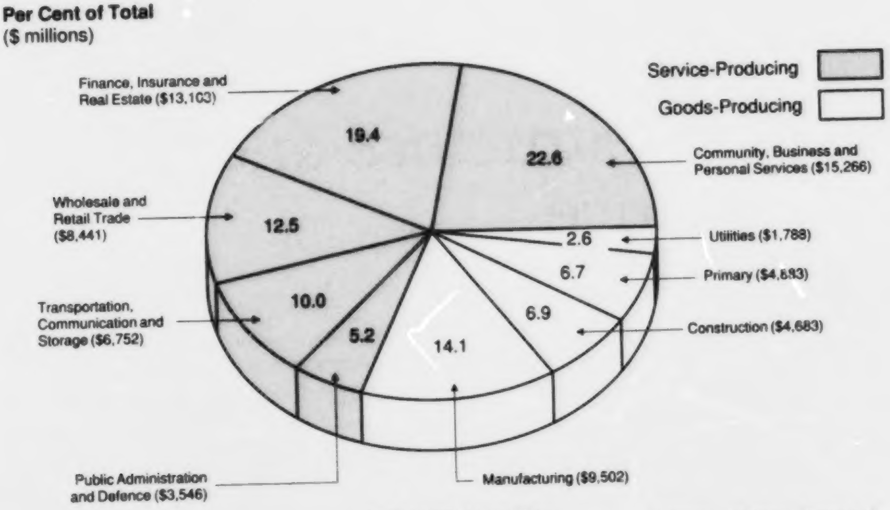
Fortunately, the uncertainty created by international economic developments and shifting trading patterns has been reduced in recent years through the diversification of British Columbia's export markets. More diversified trade has resulted from increased exports to the rapidly developing economies of the Pacific Rim. Exports to the Pacific Rim region account for 38 per cent of provincial exports and that region now rivals the United States as British Columbia's most important export market.

Industrial Structure

The distribution of industrial output reflects the importance of natural resources. Two sectors — primary and manufacturing — accounted for 21 per cent of the province's total gross domestic product in 1989.

Primary industries, which include agriculture, fishing and trapping, forestry and logging, and mining, produced output of $4.5 billion and employed 84,000 individuals in 1989 (see Table 4.1). Manufacturing industries, which mainly process primary resource products into goods of higher value, produced output of $9.5 billion and employed 175,000 persons in 1989. In total, the goods-producing sector, including the construction and utilities industries, produced about 30 per cent of the province's total output in 1989 and employed 367,000 persons.

Chart 4.1 British Columbia Gross Domestic Product by Industry, 1989



Total: $67,565 million

Source: Ministry of Finance and Corporate Relations

Table 4.1 Structure of the British Columbia Economy, 1989

Sector	Gross Domestic Product[1]		Employment[2]	
	($ millions)	(per cent)	(thousands)	(per cent)
Agriculture	608	0.9	30	2.1
Fishing and trapping	315	0.5	8	0.6
Forestry and logging	1,688	2.5	28	2.0
Mining	1,872	2.8	18	1.3
Manufacturing	9,502	14.1	175	12.2
Construction	4,683	6.9	99	6.9
Utilities	1,788	2.6	10	0.7
Goods-producing[3]	20,456	30.3	367	25.6
Transportation, communication and storage	6,752	10.0	110	7.7
Wholesale and retail trade	8,441	12.5	271	18.9
Finance, insurance and real estate	13,103	19.4	90	6.3
Community, business and personal services	15,266	22.6	511	35.6
Public administration and defence	3,546	5.2	86	6.0
Service-producing[3]	47,109	69.7	1,068	74.4
Total[3]	67,565	100.0	1,435	100.0

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[1] At factor cost.
[2] See Chart 3.3 for 1990 employment by sector.
[3] Totals may not add due to rounding.
Sources: Gross Domestic Product — Ministry of Finance and Corporate Relations. Employment — Statistics Canada.

Service-producing industries generated total output of $47.1 billion, 70 per cent of total provincial gross domestic product in 1989. The service sector was also the province's largest employer, accounting for nearly three-quarters of total employment. Industries within the service sector include: transportation, communications and storage; wholesale and retail trade; finance, insurance and real estate; community, business and personal services; and public administration and defence.

Growth in many of these industries is related to developments in the goods-producing sector. For example, a new construction project generates work for engineering consulting firms (community, business and personal service sector), retailers (wholesale and retail trade sector) and trucking firms (transportation, communications and storage sector). Without the incomes and profits generated by the goods-producing sector, the province's service industries would be much smaller.

The importance of natural resources in the British Columbia economy has influenced the composition of the province's service industries. For example, transportation services are highly dependent on the movement of forest and mineral products to foreign markets, while business services, such as customs brokerage, have emerged to facilitate export flows.

International Trade

In 1990, merchandise exports of British Columbia origin totalled $16.6 billion, down 9.2 per cent from 1989, but still equivalent to 21 per cent of the province's total gross domestic product.

British Columbia also plays an important role in the movement of goods from other parts of Canada to foreign markets. Similarly, a significant portion of commodities imported through the province's ports, such as automobiles and consumer electronics from Japan and South Korea, are destined for other parts of Canada.

Historically, natural resource products have dominated provincial exports. Four sectors — forestry, mining, energy and fishing — generate approximately 80 per cent of total export earnings. Three-quarters of the forest sector's production is exported and almost all of the coal mined in British Columbia is destined for other countries. In secondary manufacturing sectors, a much lower portion of production is exported. In high-technology industries, however, there is a heavy reliance on world markets. Many firms in this group were specifically established to meet international demand.

Commodity Exports

In 1990, softwood lumber exports were valued at $3.8 billion and accounted for 22.8 per cent of British Columbia's exports. Between 1989 and 1990, lumber exports declined by 10.6 per cent. An 18.8 per cent decrease in exports to the United States due to reduced residential construction, was partially offset by a

14.6 per cent increase in exports to the European Community. The United States accounted for 52 per cent of British Columbia's softwood lumber exports; Japan 27 per cent; and the European Community 16 per cent.

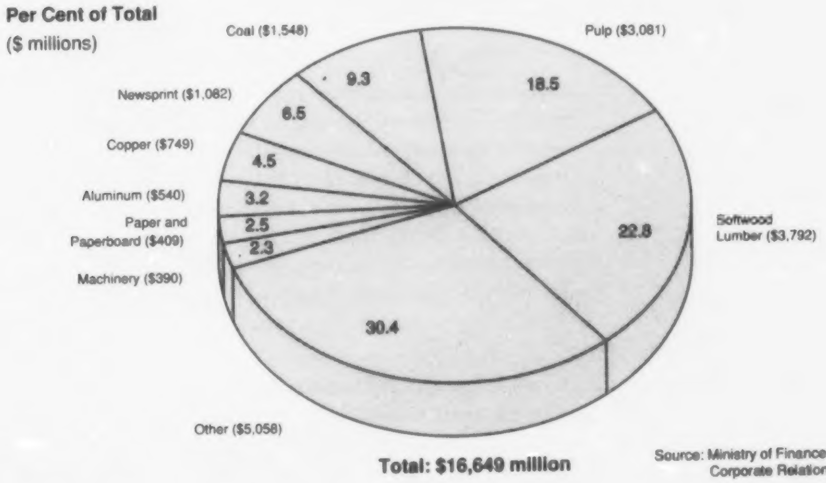
Exports of pulp and paper products were $4.6 billion in 1990, including pulp exports of $3.1 billion, newsprint exports of $1.1 billion, and paper and paperboard exports of $409 million. This commodity group suffered an 11.6 per cent decline in 1990 from 1989, as a 17.9 per cent decrease in pulp exports more than offset an 8.8 per cent increase in newsprint exports. The European Community was British Columbia's major market for pulp exports (36.3 per cent), followed by the United States (28.3 per cent) and Japan (16.5 per cent). Most of the province's newsprint exports (75.6 per cent) were shipped to the United States which was also the largest market for paper and paperboard exports (49.1 per cent).

Coal remained British Columbia's leading mineral export in 1990, accounting for 9.3 per cent of total exports. In 1990, coal exports reached $1.5 billion, up 2.3 per cent from 1989. Japan purchased 68.4 per cent of the province's coal exports with the European Community buying 7.4 per cent.

Metallic minerals worth $1.9 billion were exported from British Columbia in 1990, with 57.5 per cent going to the Japanese market. The leading metals were copper ores and concentrates ($749 million), aluminum ($540 million) and zinc ($213 million).

Fish and seafood product exports in 1990 were valued at $710 million (see Appendix Table A1.8).

Chart 4.2 British Columbia Exports by Commodity, 1990



Source: Ministry of Finance and Corporate Relations

Export Markets

Three large markets absorbed the bulk of the province's exports in 1990. In terms of the value of exports, the United States received 41.9 per cent, Japan 27.8 per cent and the European Community 15.5 per cent. In addition, 10.4 per cent of total provincial exports went to Pacific Rim countries other than Japan.

This export profile is significantly different from Canada's. In 1990, 74.4 per cent of total Canadian foreign exports were destined for the United States, while 8.3 per cent went to the European Community, 5.8 per cent to Japan, and 5.1 per cent to other Pacific Rim countries. British Columbia products accounted for 56.6 per cent of total Canadian exports to Japan and 23.8 per cent of exports to other Pacific Rim nations.

Table 4.2 British Columbia Exports by Country

Country	1986	1987	1988	1989	1990	Change 1989–1990
			($ millions)			
United States	6,569	7,804	7,840	7,815	6,980	−10.7
Japan	3,266	4,051	4,721	5,094	4,636	− 9.0
United Kingdom	518	662	806	789	692	−12.3
Republic of Korea	388	416	487	682	609	−10.7
Germany	276	417	494	576	520	− 9.7
Belgium	198	246	261	283	380	34.3
Italy	197	311	353	420	348	−17.1
France	199	266	268	289	290	0.3
Australia	202	272	321	359	271	−24.5
Taiwan	193	241	354	325	240	−26.2
Netherlands	103	144	176	162	202	24.7
People's Republic of China	202	273	273	218	200	− 8.3
Other countries	868	1,134	1,476	1,322	1,281	− 3.1
Total[1]	13,179	16,236	17,830	18,334	16,648	− 9.2

[1] Totals may not add due to rounding.
Source: Ministry of Finance and Corporate Relations.

Exports of British Columbia manufactured products such as auto parts, prefabricated buildings and recreational products have displayed encouraging growth in recent years. In 1990, value-added exports accounted for 11.1 per cent of total exports, up from 10.1 per cent in 1989. The United States is British Columbia's leading export market for manufactured products such as electrical machinery, transportation equipment and value-added wood products. In 1990, the United States received 69.3 per cent of British Columbia's value-added exports. In contrast, Japan accounted for only 7 per cent, as it imports raw or semi-processed natural resources from British Columbia.

British Columbia's Diversifying Economy

Why Diversify?

British Columbia has long experienced booms and busts in the demand for key resource exports such as lumber or pulp. Diversification of both products and export markets will reduce this vulnerability and increase economic stability.

Industrial Diversification

Record: While resource-based products still account for approximately 80 per cent of our exports, manufacturing industry exports are growing rapidly. For example, exports of remanufactured wood products, telecommunications and electronics equipment, aircraft and parts, and clothing and apparel have all grown at double-digit annual rates since 1980.

Not surprisingly, diversification is also changing job opportunities, affecting not just traded goods but services as well. Employment in the so-called dynamic services sector, which includes business services and telecommunications, has grown at an average annual rate of 6 per cent since the early 1970s. This is considerably faster than the growth of traditional services such as retail trade which has averaged 4 per cent. Employment in dynamic services has also grown much faster than in the resource sector. International competition has forced substantial productivity increases in the natural resource industries and its employment has grown only marginally. As a result, the focus of growth has shifted away from resource processing.

Challenge: To diversify into higher value-added manufacturing and services, businesses must focus not simply on costs but also on product quality and innovation. Businesses are increasingly dependent on:

- a highly skilled and adaptable work force;
- access to state-of-the-art technology and "know how";
- the ability to apply and develop technology; and
- flexible organizations which are responsive to customer preferences.

Market Diversification

Record: Relative to the rest of Canada, British Columbia has done well in diversifying its export markets. Whereas other provinces send more than 80 per cent of their exports to the United States, British Columbia sends roughly 40 cent to both the Pacific Rim and the United States, with about 20 per cent shipped to Europe. The provincial government offers a number of programs and services to assist firms that wish to export (see Table 6.1 for details).

Challenge: To sell new products in new markets requires an intimate understanding of the unique needs of foreign customers. Nothing can replace direct customer contact. Government can help through trade missions and contacts developed through foreign offices, but ultimately it is businesses themselves that must have a good product to sell and the ability to sell it.

Diversification in a global economy demands that we look beyond selling on world markets and towards becoming an integral part of global production.

Like Japan, the European Community is not a major market for manufactured end products. However, the United Kingdom has been a consistent market for general purpose machinery, laboratory and medical equipment, aircraft parts and value-added wood products. The European Community remains an important market for the province's traditional resource products and export growth has been strong. In 1990, shipments of pulp to the European Community were $1.1 billion and softwood lumber exports were $604 million.

Export Opportunities

British Columbia is well positioned to increase its exports to world markets and to further diversify its economy, in part because of its excellent transportation facilities, abundant land, energy and other natural resources, and its strategic location on the Pacific Rim, one of the fastest growing market regions in the world. (See the accompanying topic box). Provincial trade-development initiatives build on these strengths and provide support for trade and investment, as well as for education and cultural exchanges.

As the Canada-United States Trade Agreement is phased in over the next few years, it is likely that the United States will increase its purchases from the province. It is also expected that the newly industrialized economies of Taiwan, Hong Kong, Singapore and South Korea will increase their imports as their economies expand and mature. While there is some concern that the harmonization of European trading regulations in 1992 may lead to some closing of that market to Canadian products, there is a strong possibility that a more dynamic European economy and sweeping changes in Eastern Europe and Asia will create further export opportunities for British Columbia products.

Infrastructure

British Columbia's economic development is highly dependent on its transportation and communications infrastructure. Businesses rely on dependable transportation systems to move their products to market and receive supplies, while communications systems are necessary for the rapid exchange of information required in today's business environment. Fortunately, the province boasts a modern, efficient and extensive transportation and communications system. Government initiatives, including "Freedom to Move", a long-term transportation plan based on local public consultation will maintain and expand the province's transportation and communications network.

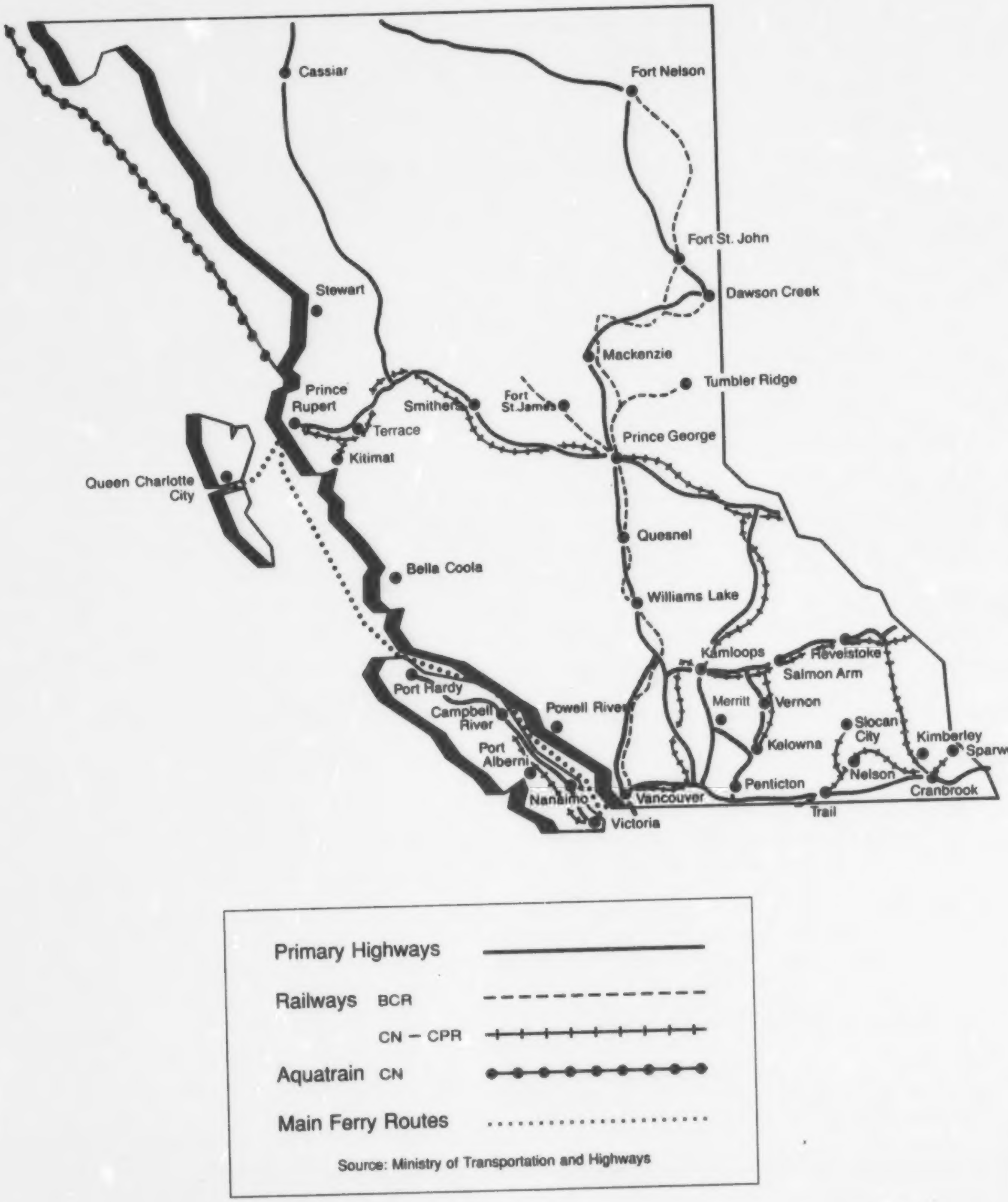
Highways

British Columbia's large highway network provides all-weather access to most regions of the province. There are 20,554 paved kilometres of provincial highway, 21,388 unpaved kilometres and 2,677 bridges. This network enables the efficient transport of British Columbia's resource products and opens up the province to residents and tourists.

Recent major projects emphasize the continuing importance placed on the British Columbia highway system:

- the Vancouver Island Highway is being upgraded from Swartz Bay to Victoria and from Victoria to Nanaimo, and a new inland route is being constructed from Parksville north to Campbell River. Completion is scheduled for 1996;

Map 4.1 Provincial Transportation Network



Source: Ministry of Transportation and Highways

- work is progressing on Okanagan Highway 97, which involves constructing four-lane highways through parts of Vernon, Pentiction and Summerland;
- the "Sea-to-Sky" Highway project will upgrade the route between Vancouver and Whistler by adding lanes and improving highway alignment;
- the Cassiar Connector (Highway 1 from the Burnaby Freeway to the Second Narrows Bridge) is being upgraded and is expected to be completed in 1992;
- in the urban context, the Barnet-Hastings project will increase highway capacity between Port Moody and Burnaby by adding high occupancy vehicle lanes and bypassing the Port Moody commercial district.

British Columbia's highways are used by an increasing number of people and vehicles. During 1990, 1.8 million passenger vehicle licences and 638,000 commercial licences were held by provincial residents.

Railways

The province has approximately 6,800 kilometres of main line track operated by BC Rail, CN Rail, CP Rail, Southern Railway of British Columbia and the Burlington Northern Railway. All these railways are involved in extensive freight hauling operations. In addition, CP Rail operates a railcar barge service to Vancouver Island and CN Rail operates the aquatrain service from Prince Rupert to Whittier, Alaska.

In January 1990, CN Rail was authorized by the federal National Transportation Agency to abandon services on the Cowichan Subdivision and Saanich Spur in Victoria (Total 5.3 kilometres). In April 1991, the Ministry of Crown Lands in conjunction with the Ministry of Transportation and Highways purchased the right-of-way which will be held as an intact corridor for future transportation purposes.

CN Rail will be spending $39 million in 1991 on capital-related projects in British Columbia and Alberta, including continuation of construction of a new $19-million intermodal rail yard in Surrey. Existing intermodal transfer operations in downtown Vancouver will be relocated to the new site.

In June 1990, CP Rail was authorized by the federal National Transportation Agency to abandon services on the Princeton Subdivision from Spences Bridge to Penticton (306 kilometres) and in August 1990, on the Boundary Subdivision between Robson West and Midway (161 kilometres).

In June 1991, CP Rail announced that it would spend $15 million on a two-year program to increase tunnel clearances, mostly in British Columbia. This will provide all-size double stack container train service from the Port of Vancouver to eastern Canada and the United States. CP Rail expects to spend $31 million in 1991 on works projects in British Columbia.

In December 1990, BC Rail began operations over 175 kilometres of the Pakla subdivision, the first phase of a 315 kilometre reconstruction project. When completed in late 1992, the $25-million project will provide rail access to timber resources in the Pakla-Sustut forest area for 11 forest products companies. The logs will be transported to mills in Prince George.

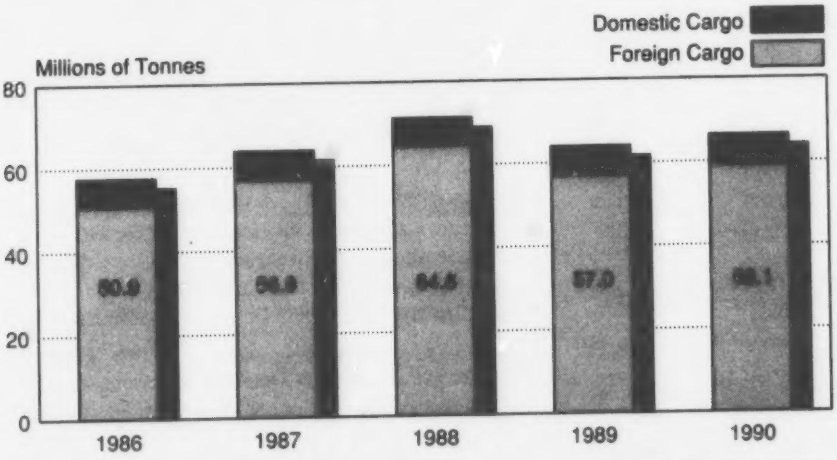
BC Rail provides passenger service from North Vancouver to Prince George. VIA Rail Canada Inc. provides passenger services on CN Rail lines, from Vancouver via Jasper to Edmonton and eastern Canada and from Jasper to Prince Rupert. VIA Rail also provides services on CP Rail's Esquimalt and Nanaimo Railway line, from Victoria to Courtenay. Great Canadian Railtour Co. Ltd. operates the "Rocky Mountain Railtours" between Vancouver and Banff/Calgary and from Kamloops to Jasper. The trains are operated by CP Rail and CN Rail crews, over whose lines the trains run.

Deep Sea and Coastal Shipping

British Columbia has a number of large, ice-free ports. The Port of Vancouver is British Columbia's major seaport and the largest dry cargo port on the North American Pacific coast. Vancouver and the ports at Prince Rupert and on the Fraser River handle most international shipping in the province. However, shipping also takes place at a number of other harbours on the coast, including Nanaimo, Port Alberni, Campbell River, Powell River, Kitimat, Stewart and Squamish.

Shipments through the Port of Vancouver totalled 66.4 million tonnes in 1990, up 3.7 per cent from the previous year, but down from the record high of 71.3 million tonnes in 1988. Grain shipments increased by 20 per cent over 1989 to 11.1 million tonnes, while bulk cargo was up 4.4 per cent. Coal, the port's leading export commodity in tonnage, decreased slightly to 23.4 million tonnes in 1990. General cargo shipments, which include forest products, was unchanged from 1989 at 6.6 million tonnes. In 1990, container traffic increased 5.6 per cent to 322,569 TEUs (twenty foot equivalent units).

Chart 4.3 Port of Vancouver Cargo Tonnage



Source: Vancouver Port Corporation

Total cargo shipped through the Port of Prince Rupert increased 8.9 per cent in 1990 to 12.3 million tonnes. This was largely due to a 42 per cent increase in wheat shipments to 2.5 million tonnes. Coal shipments rose slightly to 6.2 million tonnes, while lumber exports were down 26 per cent to 0.6 million tonnes. A major expansion of general cargo berths at Prince Rupert's Fairview Terminal was opened in June 1990.

Tug and barge services connect major centres with small communities on British Columbia's major islands and the mainland coast. Small coastal vessels provide a mix of passenger and package freight service.

The British Columbia Ferry Corporation provides drive-on/drive-off freight and passenger service on 24 routes between the Lower Mainland, Vancouver Island and other coastal points. During the year ending March 31, 1991, the corporation carried 19.8 million passengers and 7.7 million vehicles (see also Chapter 7). The "Mid Island Express" route between Tsawwassen and Nanaimo was inaugurated in 1990.

The Ministry of Transportation and Highways provides ferry service on 16 freshwater routes which are served by 6 certified ferries and 10 cable and reaction ferries. In 1990/91, these ferries carried 5.5 million passengers and 3 million vehicles.

Air Transport

Local, regional and national air carriers based throughout British Columbia, provide scheduled and charter services to domestic and foreign destinations. They use a network of land-based airports, water-based facilities and heliports.

Major domestic and international service is provided by Air Canada and Canadian Airlines International along with their respective partners, Air BC and Time Air. Many other major foreign airlines provide service through British Columbia's largest airport, Vancouver International Airport.

In February 1990, the Vancouver International Airport Authority was incorporated and is now negotiating with Transport Canada for local control and management of Vancouver International Airport. The transition will enable the airport to respond better to emerging global opportunities.

Table 4.3 Activity at Vancouver International Airport

Totals In/Out		1989	1990	Change 1989–1990
				(per cent)
Passengers	(thousands)	9,651	9,912	2.7
Airmail and air cargo	(tonnes)	139,156	139,202	0.0
Aircraft movements	(thousands)	326	318	−2.5

Source: Transport Canada.

The Provincial Air Transport Assistance Program was established in 1978 to assist the development of community airports and regional air services in British Columbia. By March 31, 1991, the program provided grants totalling $41.5 million to over 80 communities.

Pipelines

In British Columbia, there are approximately 4,300 kilometres of crude oil transmission and gathering lines, and 12,500 kilometres of natural gas flow, gathering and trunk lines. The Vancouver Island natural gas pipeline was completed in 1991. Oil and gas distribution lines in British Columbia are regulated by the British Columbia Utilities Commission and the National Energy Board of Canada.

Communications

British Columbia's modern communications network links the province's larger communities with remote areas and with other locations around the world.

As of March 31, 1991, British Columbia had 97 originating radio stations: 63 were AM and 34 were FM. The Canadian Broadcasting Corporation (CBC), a federal Crown corporation, provides local, regional and network programming through rebroadcast transmitters, affiliates, and jointly-owned stations. Because of British Columbia's mountainous topography, 92 AM and 159 FM retransmitters are needed to extend radio broadcast services.

There were 10 originating and 251 rebroadcasting television stations at March 31, 1991. The originating services included two operated by the CBC, five CBC affiliates, two CTV network affiliates and one independent station. The public educational television service, the Knowledge Network, is available throughout the province via cable and over-the-air transmitters.

Cable television service is available to 82 per cent of the homes in British Columbia through 145 cable television systems. Typical systems carry 40 television channels.

Many remote communities of the province receive television service via satellite and microwave facilities. The provincial government provides communications grants to extend television and radio services. Through this program, 470,000 British Columbians in 380 communities have secured access to educational and basic broadcast services.

As of March 31, 1991, there were 1,912,000 telephone network access service lines in British Columbia. Telephone service is provided primarily by the British Columbia Telephone Company, with regional service provided by the City of Prince Rupert Telephone Company and Northwestel Inc. Cellular telephone services are provided by Cantel and B.C. Cellular. In addition, there are approximately 50 independent radio common carriers offering mobile telephone and paging services.

Broadcasting and most telecommunications undertakings in British Columbia are regulated by the Canadian Radio-Television and Telecommunications Commission (CRTC). Applications are currently before the CRTC to provide public long distance telephone service in competition with existing telephone companies.

Forestry

Forest land covers 43.3 million hectares or 46 per cent of the province, and supports 8.6 billion cubic metres of mature timber. About 96 per cent is coniferous, giving British Columbia approximately half of the national softwood inventory. The hemlock species predominates in the coastal forests, while lodgepole pine and spruce are the major interior species (see Appendix Table A4.1).

In 1990, the British Columbia timber harvest was 78.3 million cubic metres, down 10.4 per cent from 1989 (see Table 4.4 and Appendix Table A4.2). Coast forest regions aprovided 32 per cent of the harvest and the interior forest region provided 68 per cent.

The provincial forests consist mainly of softwood (coniferous) species, which are in demand throughout the world in the form of lumber, newsprint, pulp and paper products, shingles and shakes, and other wood-based products. In 1990, British Columbia accounted for 62 per cent of the softwood lumber, 29 per cent of the pulp, 18 per cent of the paper and 83 per cent of the softwood plywood manufactured in Canada. British Columbia's forest industry shipments of $11.5 billion in 1990 represented 47 per cent of total manufacturing shipments in the province. Forestry exports to other countries last year were valued at $9.1 billion, or 55 per cent of provincial exports.

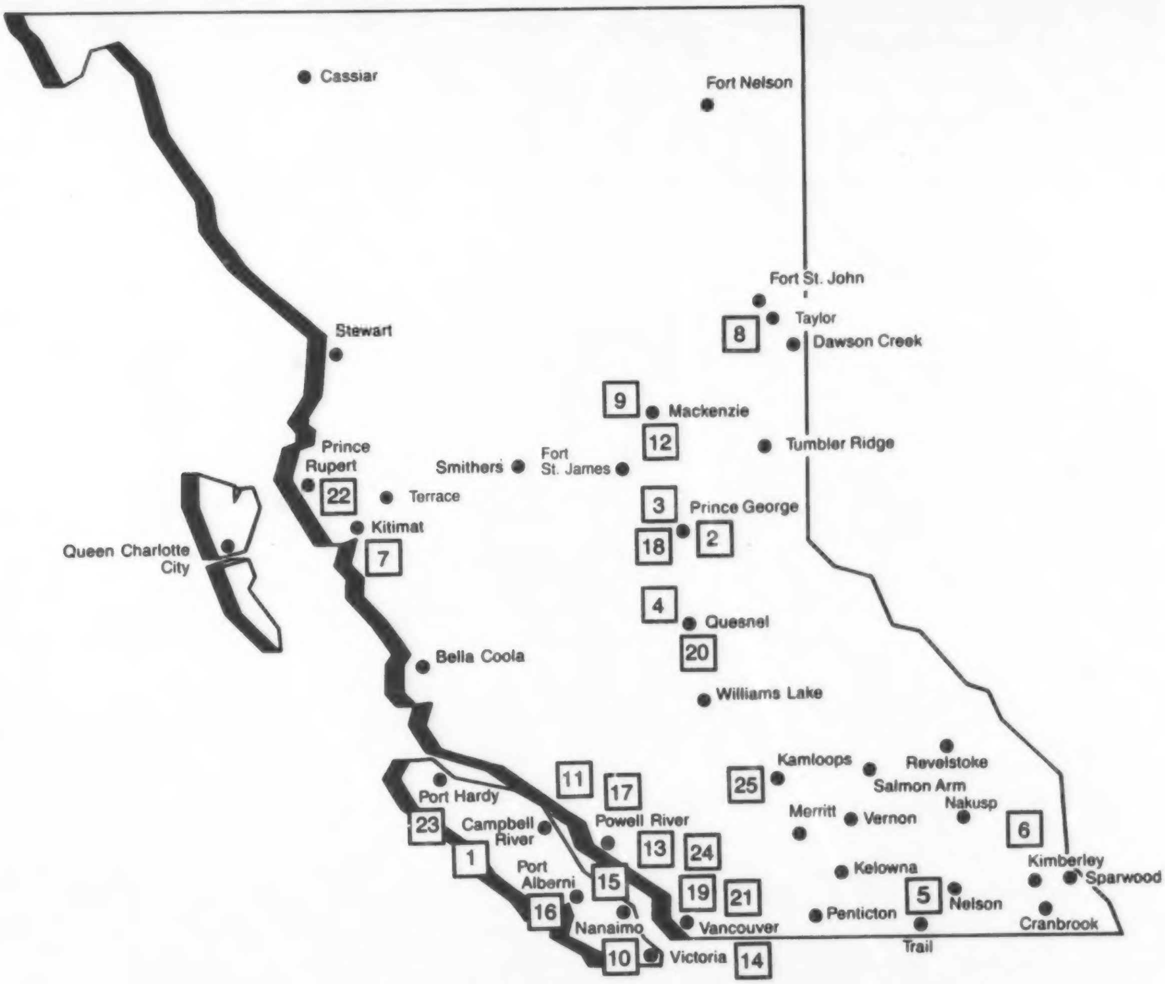
Table 4.4 Economic Indicators of Activity in the Forest Sector

Indicator	1986	1987	1988	1989	1990	Change[1] 1989–1990
Wood production			(million cubic metres)			(per cent)
Timber scaled (logged)	77.5	90.6	86.8	87.4	78.3	−10.4
Lumber	31.5	37.3	36.7	36.0	33.5	−6.8
Plywood	1.53	1.90	1.83	1.83	1.63	−10.8
Pulp and paper production			(million tonnes)			
Pulp	6.35	7.06	7.17	6.99	6.60	−5.5
Newsprint, paper and paperboard	2.60	2.76	2.88	2.85	2.99	5.0
Industrial product price indexes			(1986=100)			
Softwood lumber — British Columbia	100.0	98.6	101.5	102.4	100.5	−1.9
Douglas fir plywood	100.0	95.7	93.0	102.0	98.1	−3.8
Bleached sulphate pulp for export	100.0	124.7	145.7	161.8	152.2	−5.9
Newsprint for export	100.0	105.1	111.8	105.2	104.6	−0.6

[1] Percentage change based on unrounded numbers.

Sources: Timber scaled — Ministry of Forests.
Lumber and plywood production — Statistics Canada.
Pulp and paper production — Canadian Pulp and Paper Association.
Industrial product price indexes — Statistics Canada.

Map 4.2 Pulp and Paper Mills (1990)



	Company	Location	Pulp	Paper
		Estimated Annual Capacity ('000 tonnes)*		
1	C.P. Forest Products Ltd.	Gold River	466	221
2	Canfor Corporation	Prince George	274	102
3	Canfor Corporation	Prince George	236	—
4	Cariboo Pulp and Paper Ltd.	Quesnel	190	—
5	Celgar Pulp Co.	Castlegar	183	—
6	Crestbrook Forest Industries Ltd.	Skookumchuk	181	—
7	Eurocan Pulp and Paper Ltd.	Kitimat	409	409
8	Fibreco Pulp Inc.	Taylor	180	—
9	Finlay Forest Industries Ltd.	Mackenzie	138	173
10	Fletcher Challenge Canada Ltd.	Crofton	702	443
11	Fletcher Challenge Canada Ltd.	Duncan Bay	897	562
12	Fletcher Challenge Canada Ltd.	Mackenzie	207	—
13	Howe Sound Pulp and Paper Ltd.	Port Mellon	259	—
14	Island Paper Mills Ltd.	Annacis Island	—	121
15	MacMillan Bloedel Ltd.	Harmac	386	—
16	MacMillan Bloedel Ltd.	Port Alberni	419	342
17	MacMillan Bloedel Ltd.	Powell River	671	599
18	Northwood Pulp and Timber Ltd.	Prince George	569	—
19	Paperboard Industries Corp.	Burnaby	—	166
20	Quesnel River Pulp Co. Ltd.	Quesnel	311	—
21	Scott Paper Ltd.	New Westminster	31	85
22	Skeena Cellulose Inc.	Prince Rupert	483	—
23	Western Pulp Ltd.	Port Alice	162	—
24	Western Pulp Ltd.	Squamish	242	—
25	Weyerhauser Canada Ltd.	Kamloops	431	—
			8,155	3,223

* As at December 1990

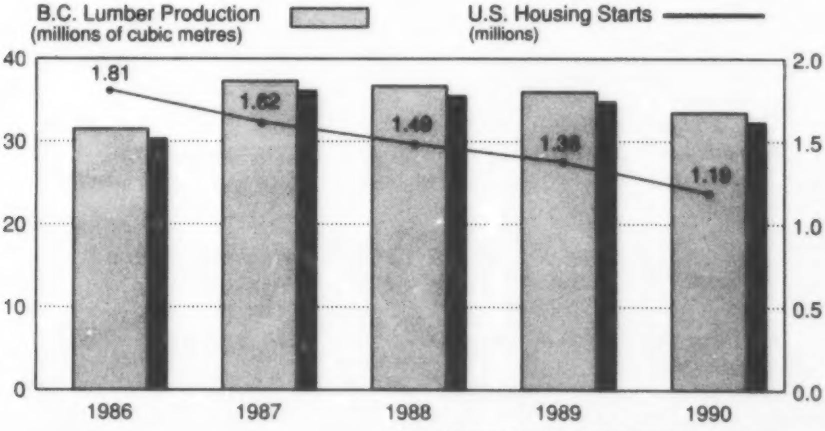
For integrated mills, pulp capacity includes pulp which is used internally to produce paper and to produce market pulp (if any) which is shipped from the mill site. Annual capacity is based on 345 operating days per year.

Lumber

North American residential construction represents a significant source of demand for British Columbia lumber products. The North American lumber market was weak in 1990. United States housing starts were 1.19 million units in 1990, down from 1.38 million units in 1989. Lumber prices, expressed in U.S. dollars, were relatively stable until the fourth quarter of 1990. Western spruce-pine-fir (SPF) two-by-fours averaged (U.S.) $194 per 1,000 board feet for the first three quarters of 1990, about (U.S.) $10 more per 1,000 board feet than for the same period in 1989. However, due to a decline in residential construction activity during the fourth quarter of 1990, the average price of SPF lumber fell to (U.S.) $166 per 1,000 board feet. Returns to British Columbia producers continued to be adversely affected by the relatively high value of the Canadian dollar. The value of softwood lumber exports to the U.S. declined from $2.4 billion in 1989 to $2 billion in 1990, an 18.8 per cent decrease.

British Columbia lumber shipments to Japan, the province's most important offshore market, were $1 billion in 1990, down 3.6 per cent from 1989. Lumber exports to the European Community rose sharply by 14.7 per cent to $604 million. Overall, softwood lumber exports declined 10.6 per cent to $3.8 billion in 1990.

Chart 4.4 British Columbia Lumber Production and U.S. Housing Starts



Source: Statistics Canada and U.S. Department of Commerce

Over the past three decades, the forest industry has undergone tremendous change, evolving from numerous small mills near the forest resource to large centrally-located operations with drying kilns and chipping facilities. Currently, kilns for drying lumber are more prevalent at interior lumber mills than at coast lumber mills. Chipped wood waste from sawmills constitutes a major part of the fibre requirements of the province's pulp and paper industry. In recent years, there has been less emphasis on the production of commodity grade lumber products and more emphasis on value-added lumber products such as furniture components and door and window stock.

Plywood

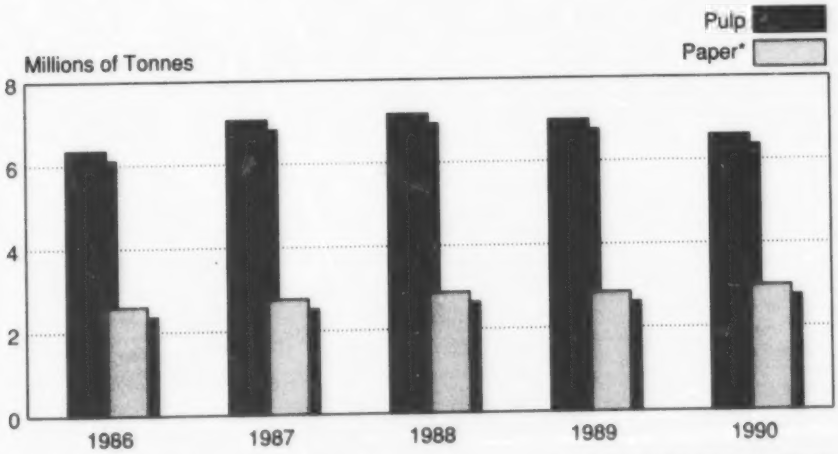
About 80 per cent of British Columbia's plywood production is used in Canada. In 1990, provincial plywood production was 1.6 million cubic metres, down 10.8 per cent from 1989, reflecting weakness in Canadian residential construction activity. Softwood plywood prices were, on average, about 10 per cent lower in 1990 than in 1989.

Pulp and Paper

British Columbia pulp production totalled 6.6 million tonnes in 1990, down 5.5 per cent from the previous year. Market pulp shipments totalled 3.5 million tonnes, a 15.3 per cent decrease from 1989. British Columbia pulp producers took extended downtime throughout 1990 in an attempt to maintain price levels. Despite this, the weak pulp market caused price declines in all pulp grades. The price premium that developed between northern bleached softwood kraft pulp (NBSKP), the main provincial pulp product, and competing pulps led to a loss of market share for NBSKP producers. As a result, the price of NBSKP was lowered. In July 1990, the price of NBSKP was approximately (U.S.) $600 per tonne, down substantially from its cyclical high of (U.S.) $840 per tonne in mid-1990. Pulp exports in 1990 were $3.1 billion, down 17.9 per cent from 1989.

Newsprint, paper and paperboard production in 1990 increased 5 per cent to 3 million tonnes. Paper product exports reached $1.5 billion in 1990, up 4.7 per cent from 1989. A strike affecting eastern Canadian newsprint producers helped maintain a relatively firm market for British Columbia producers. The major market for the province's newsprint is the U.S. west coast. The North American newsprint market remains weak. Newsprint producers were unable to maintain the price increase of approximately 5 per cent announced for January 1, 1991. In April 1991, the price of newsprint on the U.S. west coast was reduced to (U.S.) $560 per tonne, down from the average price of (U.S.) $588 at the beginning of 1991.

Chart 4.5 British Columbia Pulp and Paper Production



*Includes newsprint and other paper and paperboard

Source: Canadian Pulp and Paper Association

Minerals

Most of British Columbia lies within the Western Cordillera, a geological formation known to contain a wide variety of valuable minerals. Technological advances in exploration and mining and the development of new domestic and foreign markets have resulted in a significant increase in production of mineral products, including oil and natural gas, over the past three decades. In 1990, total mineral output was valued at $4 billion, an increase of 0.4 per cent from 1989.

Metals

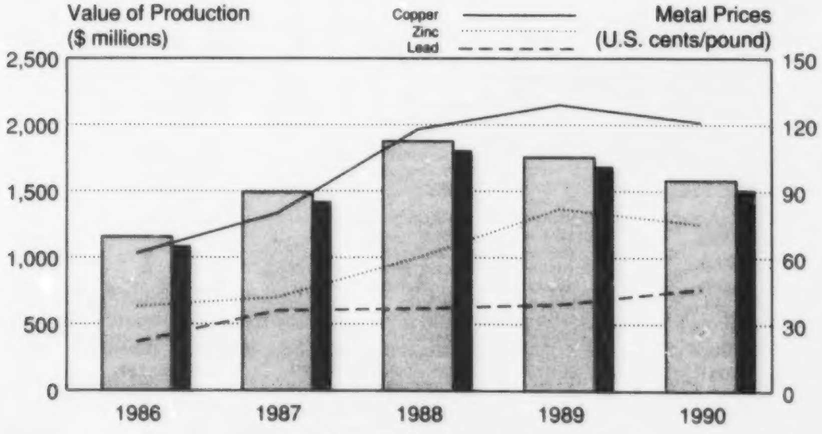
During 1990, the value of metal production in the province declined 10 per cent to $1.6 billion. The shutdown during most of 1990 of Cominco's Sullivan mine, a major lead and zinc producer, accounted for much of the decrease. While copper production rose by 14.2 per cent, lower world prices caused its value to decline by 4.6 per cent to $956 million. The value of gold production rose 5.3 per cent to $249 million, as several newer gold mines operated throughout 1990. Silver output increased 29 per cent as the Samatosum mine was in production for the full year.

Skyline Gold Corporation's Johnny Mountain mine and Blackdome Mining Corporation's Blackdome gold mine ceased operations in 1990 due to low gold prices. Brenda Mines Ltd.'s Brenda copper mine also ceased production due to exhaustion of ore reserves.

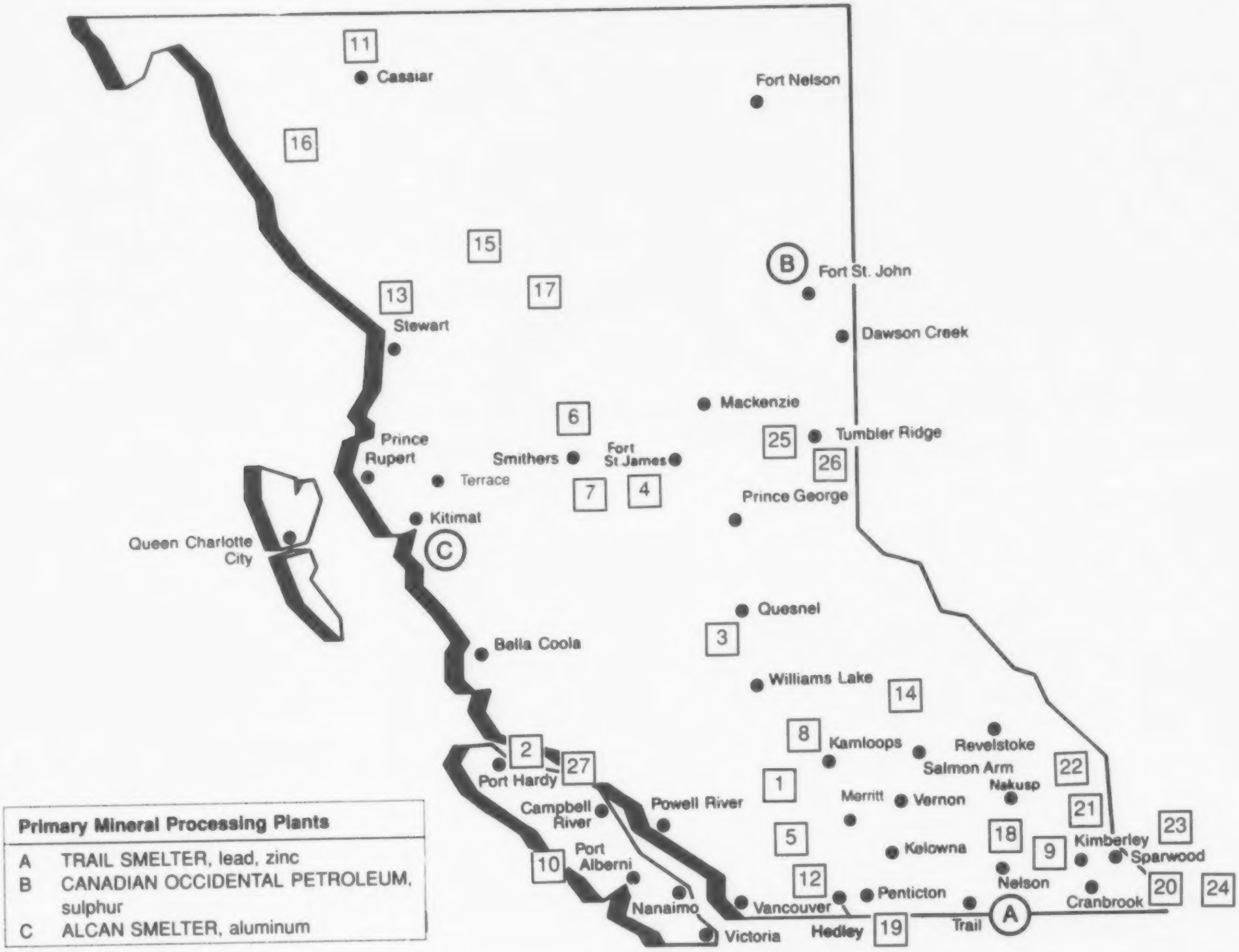
The Sullivan mine at Kimberley, one of the world's major sources of lead and zinc, resumed full production in November 1990, after having closed earlier in the year due to productivity problems. Concentrates are processed at Trail, site of one of the largest non-ferrous smelters in the world.

Many outstanding new metal mines have been developed since 1960, including Afton, Endako, Valley Copper, Myra Falls, Equity Silver, Gibraltar, Bell and Similco. Highland Valley Copper, an amalgamation of the Lornex, Bethlehem and Highmont operations, is now one of the world's largest copper mines.

Chart 4.6 British Columbia Metallic Minerals — Production and Prices



Source: Ministry of Energy, Mines and Petroleum Resources; Metal Week



Primary Mineral Processing Plants

A	TRAIL SMELTER, lead, zinc
B	CANADIAN OCCIDENTAL PETROLEUM, sulphur
C	ALCAN SMELTER, aluminum

	Company (Mine)	Location	Daily Operating Capacity (tonnes)	Products
1	Highland Valley Copper Ltd. (Highland Valley Copper)	Highland Valley	128,000	Gold, silver, copper, molybdenum
2	BHP-Utah Mines Ltd. (Island Copper)	Rupert Inlet	47,000	Copper, molybdenum, gold, silver
3	Gibraltar Mines Ltd. (Gibraltar)	Granite Mountain	36,000	Gold, silver, copper, molybdenum
4	Placer Dome Ltd. (Endako)	Fraser Lake	27,000	Molybdenum
5	Similco Mines Ltd. (Similco)	Princeton	23,000	Gold, silver, copper
6	Noranda Inc. (Bell)	Babine Lake	15,000	Gold, silver copper
7	Equity Silver Mines Ltd. (Equity Silver)	Houston	10,000	Copper, gold, silver
8	Afton Mines Ltd. (Afton)	Kamloops	8,500	Copper, gold, silver
9	Cominco Ltd. (Sullivan)	Kimberley	7,000	Silver, lead, zinc, iron
10	Westmin Resources Ltd. (Myra Falls)	Buttle Lake	4,000	Copper, zinc, lead, silver, gold
11	Cassiar Mining Corp. (Cassiar)	Cassiar	3,500	Asbestos
12	Corona Corp. (Nickel Plate)	Hedley	3,300	Gold, silver
13	Westmin Resources Ltd. (Premier)	Stewart	2,000	Gold, silver
14	Minnova Ltd. (Samatosum)	Barriere	500	Silver, lead, zinc, copper, gold
15	Cheni Gold Mines Ltd. (Lawyers)	Toodoggone River	500	Gold, silver
16	Golden Bear Operation Corp. (Golden Bear)	Bearskin Lake	360	Gold, silver
17	International Shasta Resources Ltd. (Shasta)	Toodoggone	170	Gold, silver
18	Treminco Resources Ltd. (Silvana)	Slocan Lake	110	Silver, lead, zinc
19	Teck Corporation (Beaverdell)	Beaverdell	100	Silver, lead, zinc
20	Westar Mining Ltd. (Balmer)	Sparwood	n/a	Coal
21	Westar Mining Ltd. (Greenhills)	Elkford	n/a	Coal
22	Fording Coal Ltd. (Fording)	Elkford	n/a	Coal
23	Crows Nest Resources Ltd. (Line Creek)	Sparwood	n/a	Coal
24	Byron Creek Collieries Ltd. (Byron Creek)	Sparwood	n/a	Coal
25	Tech Corporation (Bullmoose)	Tumbler Ridge	n/a	Coal
26	Quintette Coal Ltd. (Quintette)	Tumbler Ridge	n/a	Coal
27	Brinco Coal Ltd. (Quinsam)	Campbell Lake	n/a	Coal

Industrial Minerals and Structural Materials

The total value of production of industrial minerals including asbestos, sulphur, barite, gypsum and others, dropped to an estimated $117 million in 1990, down 6.2 per cent from 1989. The value of production of structural materials, which includes cement, sand, gravel and building stone was $291 million, down 2 per cent from last year. (see Appendix Table A4.4).

Mineral Exploration

Mineral claim staking increased slightly from the previous year with 98,256 new mineral units recorded in 1990. Total exploration expenditures during 1990 were estimated at $226 million, up 21.5 per cent from 1989.

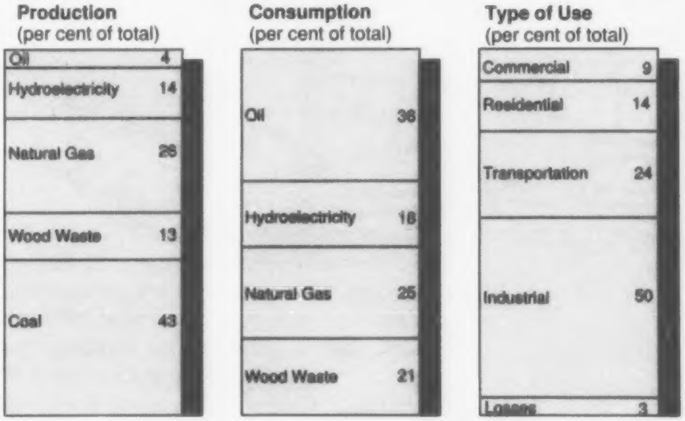
New exploration discoveries were few as most of the exploration activity was concentrated near "hot spots" such as Eskay Creek and Mount Milligan. The search for precious and base metal deposits, particularly copper-gold, dominated industry activity.

Energy

British Columbia has a diverse and abundant energy resource base and is self-sufficient in all energy sources except oil. Over three-quarters of British Columbia's oil supply is imported, mainly from Alberta, but these imports are more than offset by exports of coal, natural gas and electricity, making British Columbia a net exporter of energy.

Chart 4.7 provides a breakdown of energy production and consumption in 1990.

Chart 4.7 Primary Energy Production and Consumption, 1990



Source: Ministry of Energy, Mines and Petroleum Resources

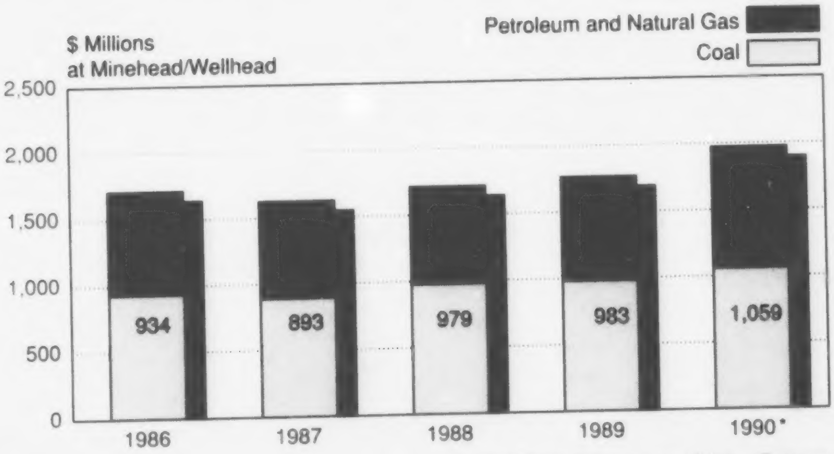
Coal

British Columbia produces about 25 million tonnes of metallurgical and thermal coal annually. There are five producers in the East Kootenay-Crowsnest coalfields, two in the northeast coalfields and one on Vancouver Island. Of the province's total coal production, 95 per cent is consumed outside British Columbia, mainly in the Pacific Rim. The province is endowed with vast reserves of coal that offer potential for future development.

Significant structural changes are taking place in the coal industry. Quintette Coal Ltd. is undergoing a major restructuring following an arbitration panel's ruling in 1990, which reduced the price of coal Quintette sells to its Japanese customers. Tech Corp. took over the management of Quintette from Denison Mines to proceed with the reorganization and ensure the continued operation of Quintette. Esso Resources Ltd. listed its Byron Creek thermal coal mine for sale, but when no suitable buyer was found, the mine was downsized to increase its efficiency. Shell Canada Ltd. sold its Line Creek mine to Calgary-based Manalta Coal Ltd.

Coal continues to be among British Columbia's most valuable mineral products. The value of coal production rose 7.7 per cent to $1.1 billion in 1990. Stronger sales of both metallurgical and thermal coal, as well as slightly higher prices, accounted for the $75 million increase.

Chart 4.8 Value of British Columbia Mineral Fuels Production



* Estimate

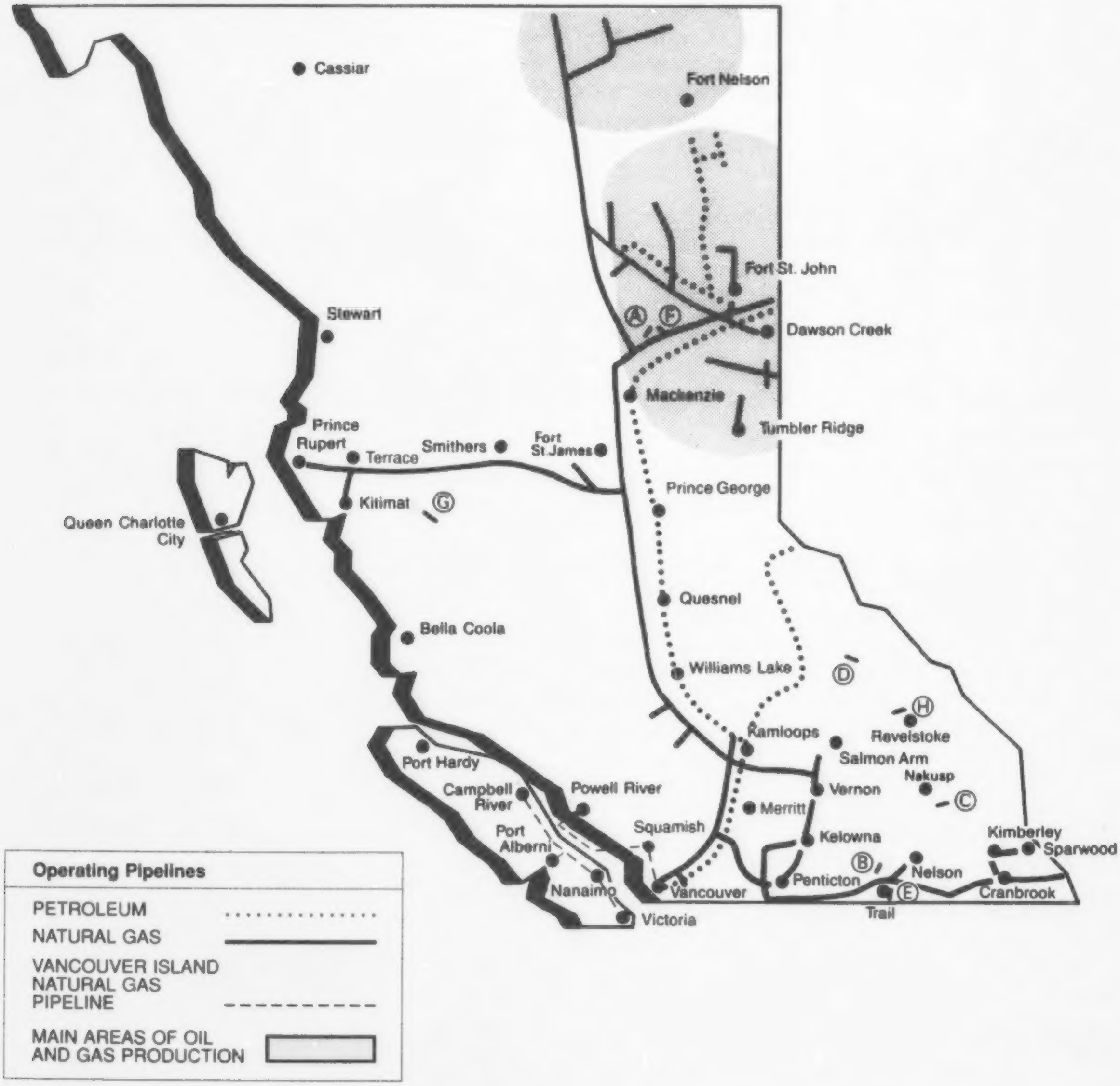
Source: Ministry of Energy, Mines and Petroleum Resources

Petroleum and Natural Gas

The northeastern part of the province is an extension of the Great Plains region and the only sedimentary area in British Columbia that is currently producing oil and gas. Westcoast Energy's gas pipeline from the Peace River district to Vancouver was built in the mid-1950s to provide a market for these vast hydrocarbon resources. An additional pipeline was later laid between Fort Nelson and the original pipeline at Chetwynd. Pipelines now serve markets in the Lower Mainland, Cariboo, Okanagan, Kootenays and centres from Prince George to Prince Rupert.

The Vancouver Island pipeline will provide gas service to the Sunshine Coast and Vancouver Island by late-1991. The service area includes the mainland coast from Squamish to Powell River and on Vancouver Island from Campbell River to Victoria. A $30-million conversion program for pulp and paper mills along the route and a $25-million "Clean Choice" conversion program for residential and commercial users have been established by the provincial government. Map 4.4 shows the provincial pipeline network.

Map 4.4 Provincial Pipeline Network and Major Hydroelectric Dams



	Dams	Rivers	Lakes/Reservoirs
A	W.A.C. Bennett	Peace	Williston
B	Hugh Keenleyside	Columbia	Arrow
C	Duncan	Kootenay	Duncan
D	Mica	Columbia	Kinbasket
E	Seven Mile	Pend d'Oreille	Seven Mile
F	Peace Canyon	Peace	Dinosaur
G	Kenney	Nechako	Nechako
H	Revelstoke	Columbia	Revelstoke

Condensate, butane and propane are extracted at Westcoast Energy's gas cleaning plant at Taylor (near Fort St. John) and sulphur is scrubbed from sour gas at plants at Chetwynd, Fort Nelson and Taylor. Since 1986, nine producer-owned gas processing plants, some of which also recover sulphur, have been approved for construction in northeastern British Columbia. Westcoast Energy also operates an oil pipeline between Taylor and Kamloops where it connects with the Trans Mountain Pipeline from Edmonton to Vancouver. There are four refineries in the Lower Mainland, one in Taylor and another in Prince George.

Petroleum and natural gas exploration continued to expand in 1990 with 286 wells drilled, 68 more than the previous year. Table 4.5 provides indicators of activity in the petroleum and natural gas industry.

The total value of petroleum and natural gas production in 1990 increased to $914 million from $783 million in 1989. Crude oil production increased in value by 24.9 per cent, while the value of natural gas production rose by 13 per cent.

Table 4.5 Indicators of Activity in Petroleum and Natural Gas

Indicator	Unit of Measure	1989	1990	Change 1989–1990
				(per cent)
Oil production	(thousand cubic metres)	1,986	1,964	−1.1
Natural gas production (to pipeline)	(thousand cubic metres)	13,486	13,422	−0.5
Wells authorized	(number)	304	334	9.9
Wells drilled	(number)	218	286	31.2
Seismic crew-weeks		380	490	28.9
Provincial reserves				
Oil (remaining reserves)	(million cubic metres)	19	18	−5.3
Raw gas (remaining reserves)	(billion cubic metres)	256	276	7.8
Provincial government petroleum and natural gas revenue[1]	($ millions)	227.2	279.7	23.1

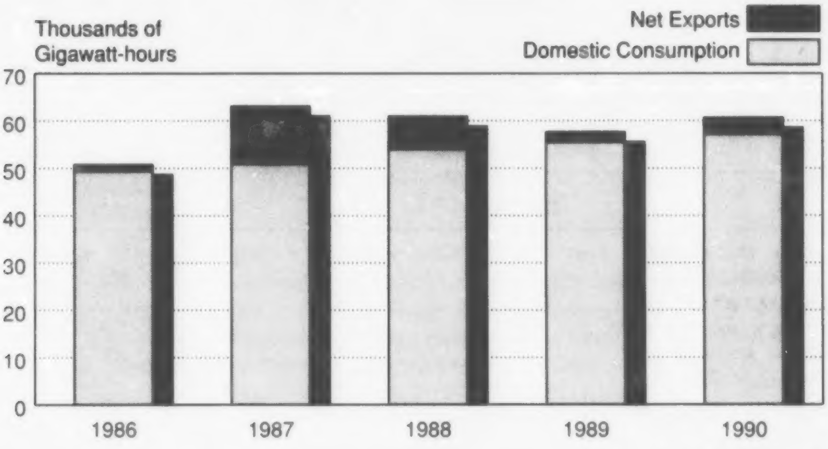
[1] Fiscal year basis (e.g., 1989 represents the year ending March 31, 1990).
Source: Ministry of Energy, Mines and Petroleum Resources.

Electric Generation

Canada has one-quarter of the world's fresh water supplies, of which one-third are located in British Columbia. This has led to the development of 12.9 gigawatts of electrical generating capacity in the province, consisting of 11.3 gigawatts of hydroelectric capacity and 1.7 gigawatts of thermal-electric capacity. The availability of this competitively priced energy, which supplies 18 per cent of the province's energy requirement, continues to be a strong incentive for new energy-intensive industries to locate in the province.

Appendix Table A4.7 lists the principal power producers. Map 4.4 shows the largest hydroelectric dams and Appendix Table A4.8 provides data on the ten largest power plants in British Columbia.

Chart 4.9 British Columbia Electric Power Generation



Source: Statistics Canada

Total provincial generation of electricity was 60,662 gigawatt-hours in 1990, an increase of 5.2 per cent from 1989, reflecting above average water conditions. Hydroelectric generation increased 12.1 per cent and thermal generation declined 48 per cent. Domestic consumption increased 2.9 per cent to 57,206 gigawatt-hours, while net exports increased 65.9 per cent to 3,456 gigawatt hours. (See Chart 4.9 and Appendix Table A4.6).

Agriculture

Only 4 per cent of total provincial land area is considered arable or potentially arable. Farm holdings (19,063 farms in 1986) cover 2.4 million hectares of which 900,000 hectares are improved land. An estimated 10 million hectares, of which over 8.5 million hectares are Crown land, are classed as open or forested grazing land used by the ranching industry.

All arable soils have been mapped and classified on the basis of quality, and the best classes have been placed within the Agricultural Land Reserve to be maintained for agricultural and related purposes.

According to the 1986 Census of Agriculture, the average census farm had an area of 127 hectares. However, farm size varies greatly depending on the type of activity, from thousands of hectares in grain or ranching enterprises to less than five hectares in mushroom, greenhouse and poultry businesses.

Agriculture in British Columbia is distinguished by its diversity. Some of the activities carried out by provincial farmers include: dairying; cattle-ranching; poultry-raising; and growing tree fruits, vegetables, berries, grapes, mushrooms, bulbs, ornamental flowers and shrubs. Agriculture is the province's third largest resource industry, behind forestry and mining.

Farm Cash Receipts

British Columbia ranks sixth among the provinces in farm cash receipts. Farm cash receipts were estimated at $1.2 billion in 1990, up 2.6 per cent from the previous year (see Table 4.6 and Appendix Table A4.9). Total production expenses in 1990 fell 1 per cent to $1 billion and net farm income rose 30.6 per cent to $222 million.

Table 4.6 British Columbia Farm Cash Receipts

Commodity	Revised 1989	Preliminary 1990	Change 1989–1990
	($ millions)		(per cent)
Horticultural crops	330.8	331.7	0.3
Dairy products	242.9	250.7	3.2
Poultry and eggs	196.2	210.3	7.2
Cattle and calves	187.6	205.6	9.6
Program receipts[1]	75.9	63.7	−16.1
Other products	56.7	57.7	1.8
Hogs	46.0	55.6	20.9
Grains and oilseeds	37.7	29.5	−21.8
Total[2]	1,173.9	1,204.9	2.6

[1] Includes receipts from government programs which increase farm income or reduce expenses.
[2] Totals may not add due to rounding.
Source: Statistics Canada.

Livestock and Related Products

Dairying accounts for over 20 per cent of total farm cash receipts. Large dairy herds are concentrated in the Lower Mainland, southeastern Vancouver Island and the North Okanagan-Shuswap area. Smaller concentrations are found near Creston, Smithers, Vanderhoof, Prince George, Dawson Creek and Fort St. John.

Cattle ranching is carried out primarily on range lands of the southern and central interior, the Peace River district and the Kootenays. Hog and poultry production remains concentrated near Greater Vancouver and Victoria, although most population centres support these activities.

Receipts from livestock and related products rose 7.4 per cent to $751 million in 1990. Higher receipts from cattle and calves, poultry, eggs, and hogs generated most of the increase (see Appendix Table A4.9).

Fruit, Vegetables and Field Crops

Southern interior valleys, principally the Okanagan, are well-suited to the production of tree fruits and grapes. The cooler and wetter climate of the lower Fraser Valley and southern Vancouver Island favours berry crops and vegetables. Most of the province's grain, oilseeds and forage seeds are grown in the Peace River district.

Greenhouse crops, nursery products, mushrooms and other specialty crops tend to be concentrated in the southwestern corner of the province. Farm cash receipts from these crops decreased 2 per cent to $391 million in 1990. Performance within the various components was mixed, with declines in income from berries, tree fruits, grains and oilseeds more than offsetting gains from floriculture and nursery products.

Fisheries

More than 40 species of fish and marine animals are harvested and marketed by British Columbia's fishing and aquaculture industry. The fishing industry harvest fluctuates widely from year to year because of changes in the stock of individual species. In addition, prices are largely determined on world markets over which the provincial industry has little direct influence.

Structure of the Industry

There were 20,097 valid personal commercial fishing licences in British Columbia in 1990, of which 15,900 are active. The industry also supports an estimated 5,700 person-years of employment in fish processing plants and shipyards. An estimated 220 companies processed fish in 221 plants in 1990. The processing sector is situated mainly in Prince Rupert and Greater Vancouver, although a number of smaller plants operate in coastal communities close to the fishing grounds. Excluding packers and processors, a total of 6,196 vessels were licensed to fish commercially in British Columbia in 1990.

Federal and provincial authorities both exercise control over the industry. The federal Department of Fisheries and Oceans assumes responsibility for the protection and conservation of fisheries. The Aquaculture and Commercial Fisheries Branch of the British Columbia Ministry of Agriculture, Fisheries and Food assumes control after the fish are caught and removed from the water.

The commercial fishery is the fourth largest primary industry in British Columbia after forestry, mining and agriculture. Fish processing accounts for over 25 per cent of all food manufacturing activity. British Columbia is the leading exporting province for seafood products, based on value.

Table 4.7 Value of British Columbia Fish Production

	Landed Value[1]			Wholesale Value[2]		
Species	Revised 1989	Preliminary 1990	Change 1989–1990	Revised 1989	Preliminary 1990	Change 1989–1990
	($ millions)		(per cent)	($ millions)		(per cent)
Salmon[3]	256	261	2.0	587[6]	574[6]	−2.2
Herring	76	75	−1.3	158	153	−3.2
Halibut[4]	19	20	5.3	31	33	6.5
Groundfish[5]	57	61	7.0	98	107	9.2
Shellfish	45	42	−6.7	72	68	−5.6
Total	453	459	1.3	946	935	−1.2

[1] Value of raw fish landed at dock.
[2] Value of fish wholly or partially processed, and raw fish sold through brokers.
[3] Excludes salmon aquaculture production.
[4] Includes halibut landings at U.S. ports by British Columbia fishermen.
[5] Includes hake landings to foreign vessels in cooperative fishing arrangments, plus minor fish species not listed.
[6] Includes value of production derived from U.S. salmon.
Sources: Ministry of Agriculture, Fisheries and Food; Department of Fisheries and Oceans, Canada.

Salmon is the most important component of the industry, followed by roe herring, groundfish varieties and shellfish. In 1990, the fish catch had a landed value of $459 million and a wholesale value of $935 million, up 1.3 per cent and down 1.2 per cent, respectively, from 1989.

Salmon

The salmon harvest in 1990 (excluding farmed salmon) was 95,000 tonnes. The salmon catch had a landed value of $261 million and a wholesale value, including the value of production of United States salmon, of $574 million. The 1990 salmon pack reached 1.7 million cases, a decrease of 4.5 per cent from 1989. Salmon may be sold fresh, chilled, frozen or canned, or it may be filleted or smoked for specialty markets.

Herring

The value of herring landings decreased 1 per cent in 1990 to $75 million. The wholesale value of $153 million was down 3.2 per cent. Prices remained low and unstable in 1990 because of changing market conditions in Japan, where roe herring is a traditional delicacy. The roe herring fishery occurs in the spring of each year and, after the roe is extracted from the mature fish, the carcasses are processed for animal feed and fertilizer. A small food and bait fishery also contributes to catch values.

Halibut

Halibut landings rose between 1982 and 1987 as international conservation measures proved effective in increasing stocks. Although landings of over 3,500 tonnes in 1990 were down from the previous year, its value was still among the highest in the past decade at $19 million. The 1990 wholesale value was $33 million.

Aquaculture

Oceanographic conditions along the province's coastline create an ideal setting for the cultivation of fish and shellfish in British Columbia. The number of aquaculture operations with issued tenures decreased to 803 in 1990. They included 210 salmon farms, 88 trout farms, 437 oyster farms, 6 marine plant farms and 62 hatcheries. Of the 210 tenures issued to salmon farms, an estimated 125 were active in 1990. Although most of the recently-established enterprises are based on salmon, there is considerable interest in improved methods of raising oysters, scallops, shellfish and marine plants.

Despite financial difficulties experienced by many operators due to a glut of farmed fish and the consolidation of some operations, the value of aquaculture production continued to grow and reached an estimated $85 million in 1990.

Exports

In 1990, exports of fish and seafood products were valued at $710 million. Salmon exports accounted for $448 million and fish liver and roe $171 million. Japan is the largest market for these products, followed by the United States and the European Community.

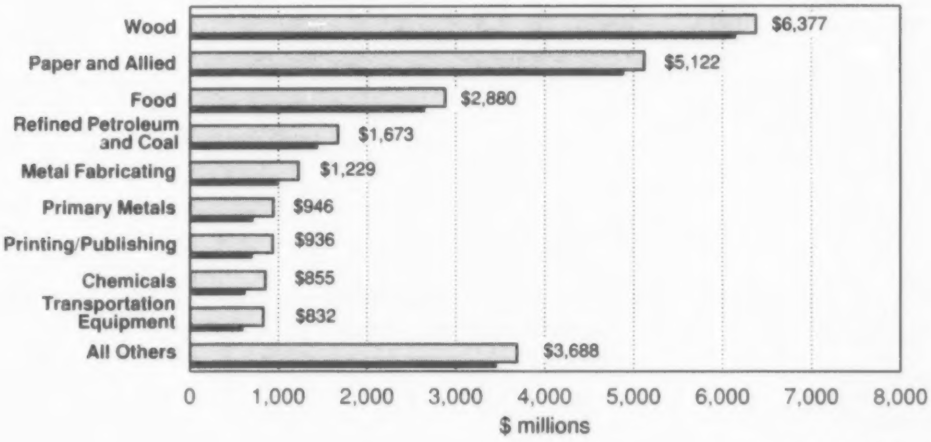
Manufacturing

The province's manufacturing industries are largely resource-based with a major emphasis on forest products, processed agricultural and fisheries products, refined petroleum and coal products, and primary metals.

Total manufacturing shipments in 1990 were valued at $24.5 billion, 6.1 per cent less than in 1989 (see Appendix Table A4.11). In 1990, the manufacturing sector employed 172,000 persons and accounted for one-eighth of British Columbia's gross domestic product.

The wood and paper and allied industries accounted for 47 per cent of total shipments in 1990. These industries will remain important in the future, although greater emphasis is expected to be placed on value-added products. For example, a higher portion of pulp production is being used to make specialized paper products and more lumber is now remanufactured into siding, furniture components, door and window stock, and other end-use products.

Chart 4.10 British Columbia Manufacturing Shipments by Industry, 1990



Source: Statistics Canada

Food processing in the province uses both locally-produced agricultural products (to make canned and frozen fruits and vegetables; fruit drinks; wine; fresh, canned and frozen fish; poultry; dairy products; and beef and pork products) and those produced elsewhere (to make sugar, soft drinks, coffee, and tropical fruits). The processing industry is largely confined to the Lower Mainland, Okanagan Valley and southern Vancouver Island, although some dairy products, meats and animal feeds are produced in outlying parts of the province.

Manufactured shipments of food and beverage products reached an estimated $3.4 billion in 1990, up 0.5 per cent from 1989. British Columbia ranks fourth among the provinces in the value of food processing activities.

Secondary Manufacturing

Leading secondary manufacturing industries are fabricated metal products, printing and publishing, chemicals and chemical products, and transportation equipment. Combined shipments of these industries totalled $3.9 billion in 1990. Secondary manufacturing also includes consumer-oriented industries, such as furniture and fixtures, plastics, and sports and fashion clothing. New products in the general consumer category include pet supplies, sports equipment and a wide range of specialty foods and beverages. The electronics group is particularly noted for its achievements in communications, remote sensing and computer technology.

Because domestic markets are limited, manufacturers must look to export markets if they are to continue to grow at a healthy rate. Secondary manufacturing sectors that are cost competitive with the United States should benefit from the Canada-United States Trade Agreement. These include chemicals, clothing, furniture, machinery, metal fabricating and plastics. While the United States, in particular the Pacific Northwest, is the main focus for British Columbia manufacturers, a large number are also seeking markets in Europe and the Pacific Rim.

Geographic Distribution of Manufacturing Activity

The location of resources, population centres and transportation factors determine the regional distribution of manufacturing activity within British Columbia. The Greater Vancouver area has developed into the province's major manufacturing centre followed by Vancouver Island. The Prince Rupert-Kitimat area is involved in forest products, fish processing, aluminum refining, and methanol and ammonia production. Wood products, food and beverage processing, trucks, mobile homes and recreational vehicles are the principal manufacturing industries in the Okanagan. Trail, in the Kootenays, is the location of a major lead-zinc smelter and fertilizer plant. The rest of the province is largely dominated by the manufacture of forest products. (See also Chapter 3.)

Capital and Repair Expenditures

Capital and repair expenditures are an important indicator of the level of economic activity and well-being of the province. Capital expenditures represent new capital outlays for construction, and machinery and equipment, while repair

Table 4.8 Capital and Repair Expenditures in British Columbia by Sector

Sector	1989[1]	1990[2]	1991[3]	Change 1989–1990	Change 1990–1991
		($ millions)		(per cent)	
Housing	5,353.7	6,147.3	5,113.1	14.8	−16.8
Transportation, communications and utilities	2,882.8	3,535.1	4,029.1	22.6	14.0
Manufacturing	3,903.3	4,214.2	3,838.9	8.0	−8.9
Institutions and government departments	3,016.9	3,326.0	3,777.7	10.2	13.6
Trade, finance and commercial	3,482.4	3,515.6	3,525.1	1.0	0.3
Mining	1,496.7	1,415.7	1,473.0	−5.4	4.0
Construction	397.2	429.9	401.3	8.2	−6.7
Agriculture and fishing	312.8	309.2	306.6	−1.2	−0.8
Forestry (primary)	368.9	296.9	287.8	−19.5	−3.1
Total	21,214.7	23,189.9	22,752.6	9.3	−1.9

[1] Actual.
[2] Preliminary actual.
[3] Intentions.
Source: Statistics Canada.

expenditures help maintain and improve existing productive assets. In 1990, capital and repair expenditures in British Columbia totalled a record $23.2 billion, up 9.3 per cent from 1989. In 1991, expenditures are expected to decline slightly to $22.8 billion.

Prior to 1987, capital and repair expenditures peaked in 1981. Relatively weak international markets for many of the province's major resource products and significant amounts of idle industrial capacity combined to dampen investment between 1982 and 1986. During this period, a disproportionate share of investment outlays were for repairs and modifications rather than for new production facilities. Capital spending in the trade, finance and commercial services sectors, as well as the public sector, helped support the construction industry during this period. Between 1987 and 1990, capital and repair expenditures increased substantially each year.

Construction

In 1990, British Columbia's $14.5 billion in construction activity comprised of $10 billion for buildings and $4.5 billion for engineering projects. Most building construction involved residential structures ($6.2 billion), followed by commercial buildings ($2.0 billion) and institutional structures ($972 million). Engineering construction expenditures included highways and road construction ($1.3 billion), and oil and gas wells ($930 million).

Housing

Residential housing is an important part of the construction industry because of its market size, broad regional employment implications and social importance. Housing starts in 1990 declined to 36,720 units, down 5.6 per cent from 1989. An increase in starts of multiple unit dwellings, which include apartments, condominiums and townhouses, was more than offset by a decline in starts of single detached dwellings.

Table 4.9 Dwelling Construction Starts in British Columbia by Type of Structure

Type of Structure	1986	1987	1988	1989	1990	Change 1989–1990
			(number of structures)			(per cent)
Single detached	12,966	16,353	17,761	21,612	18,478	−14.5
Two-family	565	862	959	1,162	1,222	5.2
Row	2,289	3,504	4,047	4,707	5,194	10.3
Apartment and other	4,867	8,225	7,720	11,413	11,826	3.6
Total	20,687	28,944	30,487	38,894	36,720	−5.6

Source: Canada Mortgage and Housing Corporation.

Major Projects

During the first half of the 1980s, much of the province's construction activity was spurred by Expo 86 preparations centred in the Greater Vancouver area. Following Expo 86, construction activity has been more widespread and more diverse. The transportation sector continues to receive a great deal of attention with the Vancouver Island Highway, the SkyTrain extension to Whalley, ferry facilities expansion and improvements to major urban highways all under way. On the industrial side, large sums have been committed to expansion and upgrading of production facilities, with particular emphasis on pollution abatement in the pulp and paper sector. Population growth is, in part, being accommodated by large residential-commercial projects at New Westminster ($330-million Westminster Quay project) and Victoria ($420-million Pacific Point development). In Vancouver, work on the $350-million Citygate project at the east end of False Creek is well underway and re-development of the north side of False Creek has commenced; the Pacific Place project will involve over $2 billion in residential and commercial construction over the next 25 years.

Major project completions in the industrial and commercial sectors in the last half of 1990 and the first half of 1991 included: Louisiana Pacific's new pulp mill at Chetwynd ($150 million); hydrogen peroxide and sodium chlorate chemical plants at Prince George ($137 million); the SNIP gold mine near Stewart ($65 million); the McDame asbestos mine at Cassiar ($60 million); pulp mill pollution control projects at Prince George ($62 million) and Prince Rupert ($96 million); Pacific Centre Mall expansion in Vancouver ($100 million); and Metrotown Place Centre phase II in Burnaby ($100 million). Major projects completed in the public sector included: the Okanagan Connector Highway from Merritt to Peachland ($225 million); the Surrey Justice Centre ($50 million); a 17 storey expansion at Vancouver General Hospital ($150 million); and a new ship repair unit and jetty at the National Defence facilities in Esquimalt ($90 million).

Major projects started in 1991 and those that continued from 1990 include: the $800-million Kemano Completion hydroelectric power project (which wound down at mid-year in response to a Federal Court of Canada ruling that an environmental impact assessment is required); the pulp and paper mill expansions/upgrades at Crofton ($263 million), Port Mellon ($1.3 billion), Castelgar ($670 million) and Prince George ($170 million); the Vancouver Island natural gas pipeline ($575 million including distribution lines and conversion assistance); the new Vancouver Island highway ($1.1 billion); the SkyTrain extension to Whalley ($127 million plus large investments in associated residential and commercial projects); the Newstech Recycling newsprint de-inking plant in Coquitlam ($83 million); a woodwaste-fired thermal power plant at Williams Lake ($135 million) and a gas plant expansion at Taylor ($108 million). Also underway were pollution abatement projects at many of the province's other pulp mills, and numerous large residential and commercial developments including: Woodward Place in New Westminster ($200 million), new B.C. Hydro offices in Vancouver and Burnaby ($112 million), Waterfront Centre ($200 million) and B.C. Gas Centre ($65 million) in Vancouver.

Major industrial and commercial developments in the advanced planning stage include: additional projects in the wood and paper industries, of which the largest are new pulp mills near Terrace ($365 million) and Vanderhoof ($260 million) and a fibreboard plant at Williams Lake ($140 million); a methanol plant expansion at Kitimat ($350 million); and a nylon hosiery plant in Richmond ($200 million). B.C. Hydro is proceeding with advance work on new 500 kilovolt power lines between Kelly Lake and Cheekye ($247 million) and Prince George to Kelly Lake ($178 million). Private sector power generation proposals continue to be submitted for provincial review with developments at Squamish, Savona, Sparwood, Port Alberni, Nanaimo, Houston, Creston and elsewhere under study. A $110-million generation plant at Taylor has received all approvals, and construction will commence in 1992. Major developments in the mining sector nearing a construction start include Mt. Polley near Williams Lake ($135 million), Mt. Milligan near Fort St. James ($440 million) and Stronsay north of Mackenzie ($140 million). The largest public sector projects under detailed study are: the KAON facility at the University of British Columbia ($708 million); water and sewage treatment upgrades in the the Greater Vancouver Regional District ($696 million); the SkyTrain extension to Richmond and Coquitlam ($775 million minimum); and the new University of Northern British Columbia at Prince George ($138 million).

Retail Trade

As shown in Table 4.10, total retail sales reached $24.5 billion in 1990, up from $23 billion in 1989. This 6.2 per cent increase was due primarily to growth of $556 million in automotive sales and services, and $328 million in food and groceries. However, the increase in 1990 was the lowest in five years and indicates that the economy had begun to slow down.

Table 4.10 British Columbia Retail Sales

	1986	1987	1988	1989	1990	Change 1989–1990
			($ millions)			(per cent)
Department store type merchandise	5,980	6,307	6,830	7,545	8,057	6.8
Other merchandise[1]	11,606	13,050	14,193	15,491	16,402	5.9
Total — all stores	17,586	19,357	21,023	23,036	24,459	6.2

[1] Primarily includes food, alcoholic beverages and automotive trade groups.
Source: Statistics Canada.

Retail sales grouped according to business type are shown in Table 4.11. The highest growth rates between 1989 and 1990 were registered by other durable goods stores (14.9 per cent), other household furnishings stores (9.1 per cent) and household furniture and appliance stores (8 per cent). In 1990, the retail trade sector employed 212,000 persons, compared to 199,000 persons in 1989.

Business and Personal Services

The business services sector includes such diverse enterprises as advertising, accounting, management consulting, architecture, computer services and consulting engineering. Personal services comprise a wide range of activities, including hairdressing salons and barber shops, laundries and dry cleaners, funeral services, shoe repair and many other business operations providing services to the individual. Many services are provided through the small business industry. For more detail, see the accompanying topic box.

Small Business in British Columbia

Over the last decade, small business has created jobs and provided new kinds of employment opportunities for thousands of British Columbians. They have also been capturing new markets — both locally and internationally.

The small business sector is formally defined as firms with fewer than 20 employees and between $10,000 and $2 million in annual revenues.

Prevalence of Small Business in British Columbia

As of 1988 — the latest year with complete data — almost 92 per cent of this province's firms were small businesses. They employed over 350,000 British Columbians or 27 per cent of our workforce, significantly higher than the national average of 22 per cent.

Small businesses are becoming more innovative and are developing new products and services in different industries. Among industries, the largest number of small business jobs is in community, business and personal services, followed by retail trade, construction, manufacturing and primary industries. Overall, more than half of the small business sector is located in the Lower Mainland.

Small Business in the British Columbia Economy

With 1988 gross revenue of $30 billion and net profits totalling $2.5 billion, small businesses generated 29 per cent of the revenue and 26.5 per cent of the net profit of British Columbia firms. Small businesses account for over 50 per cent of revenue in the fishing, agriculture, business services, health, accommodations and other services, and real estate and insurance industries. The provincial government offers assistance programs to encourage development of small businesses (see Table 6.1 for details).

Small business generates substantial payrolls that support the provincial economy. In 1988, payrolls of British Columbia small business firms totalled $6.9 billion, or 21 per cent of total provincial payrolls. For example, many small business employees work part-time and/or for only part of the year. As well, some studies indicate that small business employees, on average, have less experience and education than those in larger firms. This reflects the ability of small businesses to provide employment opportunities to workers with different capabilities and experience.

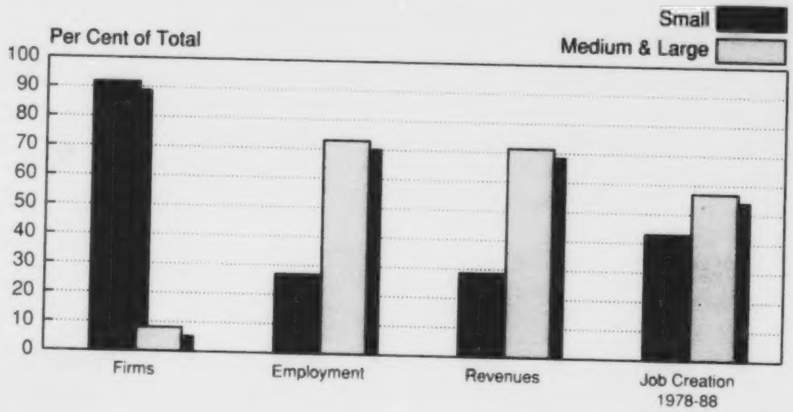
The Role of Small Business in Job Creation

The recession in the early 1980s saw a significant increase in the size of small business employment and its proportion of total employment. In 1978, small businesses accounted for one in five jobs in the province. By 1988, more than one in four jobs were in small businesses.

Over this period, the number of small business jobs in British Columbia grew 63 per cent, almost twice the growth rate of total employment. Of the 316,000 net increase in jobs from 1978 to 1988, 137,000 jobs or 43 per cent can be attributed to small business.

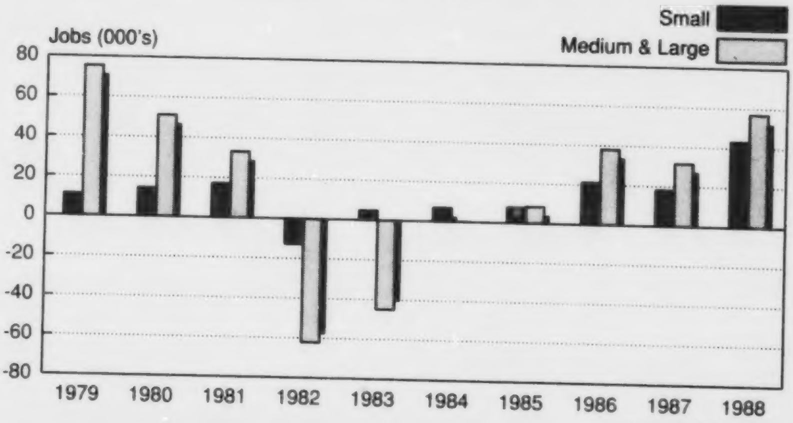
Between 1978 and 1988, the performance of the small business sector as a creator of jobs was consistently strong. Only in one year — 1982 — did small business employment decline, and then by only 5 per cent. Small businesses continued to provide much-needed jobs during the years when larger firms were laying off workers. And during the past few years of economic recovery, small businesses have continued to create a large number of jobs.

Small Business in British Columbia, 1988



Source: Statistics Canada

British Columbia Employment Growth by Firm Size



Source: Statistics Canada

Table 4.11 British Columbia Retail Sales by Trade Group

Trade Group	1989	1990	Change 1989–1990
	($ millions)		(per cent)
Supermarkets and grocery stores	4,889.5	5,249.9	7.4
All other food stores	342.6	309.9	−9.5
Drugs and patent medicine stores	1,044.9	1,109.2	6.2
Shoe stores	186.6	188.3	0.9
Men's clothing stores	206.4	209.2	1.4
Women's clothing stores	394.2	408.8	3.7
Other clothing stores	425.7	447.7	5.2
Household furniture and appliance stores	968.5	1,045.7	8.0
Other household furnishings stores	351.1	383.2	9.1
Motor vehicle and recreation vehicle dealers	5,700.9	6,026.8	5.7
Gasoline service stations	1,999.2	2,153.0	7.7
Automotive parts, accessories and services	1,239.6	1,315.5	6.1
General merchandise stores	2,518.1	2,654.4	5.4
Other semi-durable goods stores	775.9	836.3	7.8
Other durable goods stores	673.8	774.3	14.9
Other retail stores	1,318.7	1,346.8	2.1
Total — all stores	23,035.7	24,459.0	6.2

Source: Statistics Canada.

Business Services

The business services sector is one of the most dynamic areas of the provincial economy. Over the last ten years, real output has increased more than twofold, greater than any other major industry and far higher than the economy as a whole. This rapid growth has had a large effect upon employment. In 1980, 53,000 British Columbians were employed in the business services sector. By 1990, the number of workers in this sector had increased 77 per cent to 94,000.

In addition to creating jobs, business services are important to British Columbia's economy in other ways. First, they develop ways for other businesses to raise productivity, add value to products, and assist in opening up new markets. Second, business services to foreign clients are an important source of export earnings. Because of British Columbia's expertise in areas such as transportation, communications, forest products and hydroelectric engineering, exports of business services will likely play an even greater role in the province's economic future.

Personal Services

Personal services industries are characterized by small, owner-operated establishments. Over 90 per cent of these businesses are operated by self-employed individuals. The personal service sector has experienced healthy growth in the last decade, with employment increasing from 52,000 in 1980 to 81,000 in 1990.

Finance, Insurance and Real Estate

The finance, insurance and real estate (FIRE) sector comprises a diverse group of businesses, including chartered banks, trust companies, credit unions, consumer loan companies, insurance carriers and agencies, real estate brokers, investment dealers, and operators of commercial buildings and residential dwellings.

The FIRE sector, including royalties and imputed rent, accounts for nearly one-fifth of British Columbia's gross domestic product in 1989, and in 1990 comprised 6.1 per cent of total employment in the province, or 90,000 jobs. About half the employment in this sector was in financial services while insurance and real estate accounted for the balance.

Banking

During 1990, chartered bank deposits/liabilities in British Columbia grew 13.9 per cent, while total personal savings deposits grew 16.3 per cent. Non-chequable savings deposits grew 19.9 per cent, fixed term deposits rose 17.8 per cent and chequable savings accounts climbed 4.3 per cent.

Chartered banks' loans/assets in British Columbia averaged $47.6 billion in 1990, while deposits/liabilities averaged $50.2 billion. Total chartered bank loan/assets grew 12.3 per cent during 1990. The value of personal loans increased 9.1 per cent while residential mortgage lending rose 17.3 per cent. There was an 8.7 per cent increase in the value of non-residential mortgage lending and business loans increased 11.8 per cent in 1990.

Deposits at trust companies in British Columbia totalled $10.4 billion in 1990, up 4 per cent from 1989. At the province's credit unions, deposits rose 11 per cent to $9.4 billion by the end of 1990. Loans by credit unions increased 14.8 per cent over this period to $8 billion, predominantly in residential mortgages.

Vancouver Stock Exchange

As shown in Table 4.12, the volume and value of shares traded on the Vancouver Stock Exchange increased moderately in 1990. With the implementation of the Vancouver Computerized Trading (VCT) system on January 29, 1990, the VSE

Table 4.12 Indicators of British Columbia Financial Activity

Indicator	Units	1989	1990	Change 1989–1990
				(per cent)
Chartered Banks				
Employees (October 31)	(number)	19,358	19,946	3.0
Branches (October 31)	(number)	819	843	2.9
Automated banking machines (October 31)	(number)	766	1,044	36.3
Business loans outstanding (December 31)	($ millions)	9,258	10,347	11.8
Personal loans outstanding (December 31)	($ millions)	7,474	8,152	9.1
Credit Unions (December 31)				
Credit unions	(number)	114	111	−2.6
Members	(thousands)	1,022	1,073	5.0
Total assets	($ millions)	9,378	10,435	11.3
Vancouver Stock Exchange				
Volume of shares traded	(millions)	3,983	4,128	3.6
Value of shares traded	($ millions)	3,822	4,062	6.3
Transactions	(thousands)	1,504	1,254	−16.6

Sources: Chartered Banks — Canadian Bankers' Association.
Credit Unions — B.C. Central Credit Union.
Vancouver Stock Exchange — Vancouver Stock Exchange.

became the first exchange in North America to convert from a full trade floor system to an entirely automated trade execution system.

Real Estate

British Columbia housing activity slowed in the second half of 1990 (see Table 4.13). Housing starts totalled 36,720, down 5.6 per cent from 1989. The market for existing houses was very weak and Multiple Listing Service (MLS) sales levels were down 30.6 per cent from 1989. Despite these lower levels, the average MLS selling price for a home in British Columbia rose from $151,504 in 1989 to $157,616 in 1990, a 4 per cent increase. Between 1989 and 1990, apartment vacancy rates increased from an average of 0.5 per cent to 0.9 per cent in Vancouver, and from 0.4 per cent to 0.5 per cent in Victoria.

Table 4.13 British Columbia Real Estate Market Indicators

Indicator	Units	1989	1990	Change 1989-1990
Housing starts				(per cent)
Single units	(number)	21,612	18,478	−14.5
Multiple units	(number)	17,282	18,242	5.6
Total	(number)	38,894	36,720	−5.6
Multiple listing service activity				
Sales of listed homes	(number)	83,562	58,027	−30.6
Average price	(dollars)	151,504	157,616	4.0
Apartment vacancy rates[1]				
Vancouver	(per cent)	0.5	0.9	—
Victoria	(per cent)	0.4	0.5	—
Kamloops	(per cent)	1.1	1.2	—
Kelowna	(per cent)	0.3	0.1	—
Prince George	(per cent)	1.6	1.1	—
Cranbrook	(per cent)	4.7	1.5	—

[1] Average of April and October vacancy rate surveys.

Source: Canada Mortgage and Housing Corporation, and The Canadian Real Estate Association.

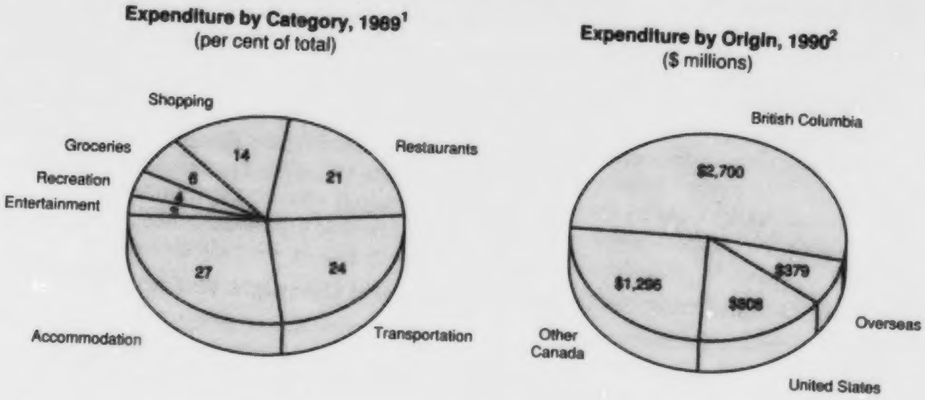
Tourism

British Columbia enjoys an international reputation for its exceptional scenic attractions and opportunities for outdoor activities. In addition, there is a wide variety of urban and cultural attractions ranging from the performing and visual arts to professional sports, amusement parks and shopping.

Tourism Revenue

Tourism revenue from overnight visitors reached $5.2 billion in 1990. Although tourism is viewed as a separate sector, it is actually a combination of various industries, which means that its economic benefits are widely distributed. Visitor surveys have revealed that of every tourist dollar spent in 1989, 24 cents went to transportation, 21 cents to restaurants, 27 cents to accommodation, 14 cents to shopping and souvenirs, 6 cents to groceries and beverages, and the balance to other goods and services. Although much of total tourism spending occurs in the Lower Mainland and Vancouver Island, development of tourism in other regions of the province is continuing with the help of the province's transportation network.

Chart 4.11 Tourism in British Columbia



[1] Estimate based on Visitor '89 study of non-residents

[2] Estimate

Source: Ministry of Development, Trade and Tourism

Rental revenue from visitor accommodation facilities in the province totalled $763 million in 1990, up 13.5 per cent from 1989. Hotels, motels and resorts all experienced decreased occupancy rates in 1990. British Columbia hotels had an annual occupancy rate of 68 per cent, down from 69.7 per cent in 1989. Average hotel room rates in 1990 were up over 1989 by 12.1 per cent. Prices ranged from $106 in Whistler to $47 in the Cariboo with a provincial average of $83. The motel occupancy rate averaged 58.3 per cent and the resorts occupancy rate averaged 57 per cent in 1990.

Tourism Markets

The total number of people travelling for one or more nights in British Columbia during 1990 was 23.4 million.

British Columbia residents travelling within the province comprise the largest share of the tourist market, accounting for 67 per cent of total visits and 52 per cent of total revenues in 1990. Spending on overnight travel by residents totalled $2.7 billion in 1990. Non-resident visitors made up the balance, making 7.8 million person-trips to the province and generating $2.6 billion in revenues.

Spending by non-residents on transportation, accommodation, meals, recreation, and entertainment differs with visitor origin and length of stay. Visitors from the four most distant origins have the highest average daily expenditures, with Ontario residents spending an average of $88, eastern U.S. residents averaging $69, California residents $64 and overseas visitors $61.

Overseas visitors to British Columbia accounted for 7.3 per cent of total revenue in 1990. Japan is the province's largest overseas market, accounting for 26.3 per cent of all overseas visitors. Japanese visitors totalled 189,000 in 1990, up 16.6 per cent from 1989. The next largest sources of overseas visitors were the United Kingdom with 110,000 visitors and Hong Kong with 73,000 visitors.

United States visitors accounted for 15.2 per cent of total overnight visitors to the province and 15.6 per cent of total revenue in 1990. Washington, California, Oregon and other western states are the largest American markets. The number of United States visitors increased by 5.2 per cent in 1990.

During 1990, overnight visitors from the rest of Canada generated $1.3 billion in revenue from 3.4 million person-trips. Alberta is British Columbia's largest market within Canada and generated 51.3 per cent of all Canadian visits in 1990, followed by Ontario with 23.5 per cent.

Table 4.14 British Columbia Tourism Revenue and Overnight Visitors, 1990

Origin	Revenue	Visitors	Average Daily Expenditure[1]
	($ millions)	(thousands)	($)
Non-residents			
Canadian			
Ontario	538	803	88.34
Alberta	440	1,755	41.38
Other Canada	318	861	52.50
	1,296	3,419	—
United States			
California	227	716	63.62
Eastern states	202	632	69.24
Washington	177	1,170	49.70
Other western states	126	692	55.23
Oregon	76	346	45.16
	808	3,556	—
Overseas	379	814	60.67
Total non-residents	2,483	7,789	—
British Columbians	2,700	15,613	59.04
Total	5,183	23,402	—

[1] Calculated by increasing 1989 estimates by 5 per cent.
Source: Ministry of Development, Trade and Tourism.

Cultural Activity

Cultural activities are an important part of the service sector, enhancing the quality of life of residents and contributing to tourism activity. The province boasts 190 museums, 40 historic sites, 39 archives, 69 public libraries and 40 professional performing arts groups.

Museums and Galleries

Almost every city and town in British Columbia has a museum that depicts the history, archeology and pioneer life of the area. The Royal British Columbia Museum in Victoria exhibits historical reconstructions, Indian ethnology, archaeology, and botanical and zoological displays. Other highlights include: the Centennial Museum, the H.R. MacMillan Planetarium, the Museum of Anthropology, and the Maritime Museum in Vancouver; exhibits on mining and tours through once-working mines at Britannia and Rossland; the Kootenay Doukhobor Historical Museum in Castlegar; the British Columbia Forest Museum near Duncan; and the O'Keefe Ranch Museum in Vernon.

Art galleries such as the Emily Carr Gallery in Victoria and the Kamloops Public Art Gallery, often focus on talent inspired by British Columbia's physical beauty and the unique art of the West Coast Indian. In fact, British Columbia attracts more than its share of Canadian artists. Even though the province has only 11.9 per cent of Canada's population, it claims almost 18 per cent of its visual artists. The Vancouver Art Gallery, housed in the city's 19th century former courthouse, is impressive both for its architecture and its art collection.

There are 40 historical sites in British Columbia depicting the history of the province's native people, fur traders, gold prospectors, immigrants and colonial governors. Prehistoric Indian petroglyph rock carvings, fur trading posts, gold rush towns of Barkerville and Fort Steele, heritage buildings in various communities and trails from the 19th century and earlier are part of the province's historical resources being preserved or accurately restored to their period status.

Performing Arts

In 1988, 1.6 million people watched performances by British Columbia's 40 professional performing arts groups, including theatre troupes, music groups, opera societies and dance companies. This same audience spent $11 million to obtain tickets for these performances.

British Columbia's patrons of the performing arts have much to choose from. Music lovers enjoy performances by the Vancouver Symphony or the various symphony societies in smaller cities, and by the Vancouver Opera Society or Victoria's Pacific Opera Association. Theatre groups have proliferated in recent years, and include Vancouver's Arts Club, the Playhouse Theatre Company, the Vancouver East Cultural Centre and the Belfry Theatre. Young people's theatre is also popular and encouraged by the Canadian Institute of the Arts for Young Audiences, which produces the Vancouver Children's Festival each year. Ballet B.C. is one of the many traditional and contemporary dance companies performing in the province.

Table 4.15 Performing Arts in British Columbia, 1988[1]

	Units	Theatre	Music	Dance	Opera	Total[2]
Number of companies	(number)	19	11	8	2	40
Total performances	(number)	3,950	383	356	276	4,965
Total attendance	(number)	1,088,474	267,248	112,341	163,421	1,631,484
Total revenue	($ thousands)	11,524	6,091	3,600	3,330	24,546
Total expenditures	($ thousands)	11,697	6,356	3,542	3,325	24,920
Surplus (deficit)	($ thousands)	(173)	(265)	57	5	(374)

[1] Latest year available.
[2] Totals may not add due to rounding.
Source: Statistics Canada.

Libraries and Archives

British Columbia has numerous public, academic, school and special libraries that offer opportunities for research and enjoyment. There are also 39 archives in the province including the British Columbia Archives and Records Service of the provincial government. Their mandate is the collection and preservation of documents pertaining to British Columbia's history.

Film and TV Production

British Columbia has three major movie studios and several smaller ones, all located in the Lower Mainland. Studios are used to house movie, television, commercial and video productions.

In 1990, 50 film and television productions were shot in British Columbia. Total 1990 production budgets for these films and series were $322 million, of which 58.5 per cent was spent in British Columbia.

Table 4.16 British Columbia Film and Television Production

Type of Production	1986	1987	1988	1989	1990
	(number of productions)				
Feature films	8	5	19	14	16
Television movies, pilots and anthologies	12	14	9	11	18
Television series	5	9	18	12	16
Total	25	28	46	37	50

Source: British Columbia Film Commission.

Publishing

British Columbia has an active publishing community. According to Statistics Canada's survey of book publishers, 288 publishing firms are established in Canada of which 26 (or 9 per cent) are located in British Columbia. Local British Columbia book publishers have over 2,300 titles in print and at least half of their sales are outside of the province. Total Canadian sales of provincial publishers reached $18 million in 1988/89, the latest year for which statistics are available.

Chapter Five

The Provincial Government and Intergovernmental Relations

5: The Provincial Government and Intergovernmental Relations

Overview

The present structure of the British Columbia government is rooted in British parliamentary tradition and precedent. Prior to 1866, British Columbia was composed of two British-controlled Crown colonies, one on Vancouver Island and a second situated on the mainland. In 1866, the Union Proclamation joined these colonies to form the Crown Colony of British Columbia. Although the Colony of Vancouver Island had a parliamentary form of government as far back as 1856, the first fully responsible government was instituted when British Columbia entered into Confederation with Canada on July 20, 1871.

The Constitutional Framework

Upon entering Confederation, British Columbia came under the authority of the *British North America Act (BNA Act)*, a statute of the British parliament. Until 1982, the *BNA Act* defined the major national institutions and established the division of authority between the federal and provincial governments. In 1982, the *BNA Act* was incorporated into the *Constitution Act*. The passage of the *Canada Act, 1982* ended the British parliament's legal right to legislate for Canada.

Canada, as a federal state, divides legislative powers between the central and provincial governments.

The Provincial Government

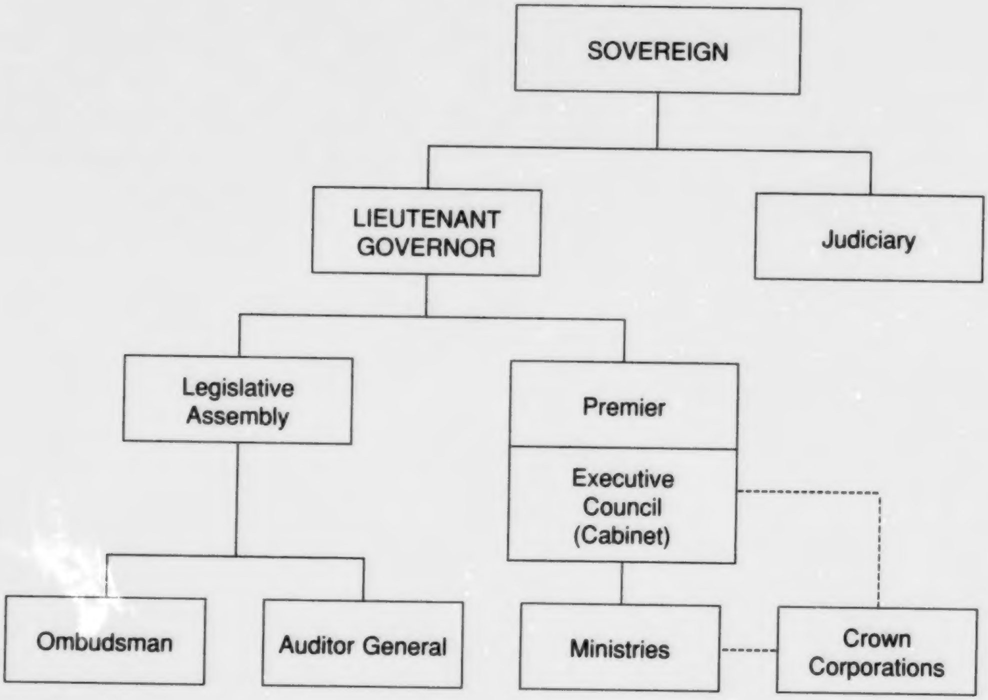
British Columbia's government is modelled after the British system. There are three main branches: the legislature, the executive and the judiciary (see Chart 5.1).

The Legislature

Legislative powers in British Columbia are exercised by a single legislative chamber, which is elected for a maximum five-year term. The legislature consists of the lieutenant governor and 75 elected members of the legislative assembly.

The legislative assembly represents the people of British Columbia in the conduct of the province's affairs. The assembly is required by law to meet at least once a year with a normal session lasting several months. However, special sessions can last just a few days or many months, depending on the nature of the government's business.

Chart 5.1 The Government of British Columbia*



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* For a list of members of cabinet committees, the Legislative Assembly, the Executive Council and the Lieutenant Governor, see Appendix 8. Crown corporations are listed in Appendix 7.

The Executive

The executive is composed of the lieutenant governor and the executive council (the cabinet). The lieutenant governor is the Queen's representative in British Columbia and holds a largely ceremonial place in modern provincial government. By constitutional custom, the lieutenant governor is appointed by the Governor General of Canada for a term usually running five years. The current lieutenant governor is His Honour the Honourable David C. Lam.

Following a general election, the lieutenant governor calls upon the leader of the political party with the largest number of elected members to serve as premier and to form the provincial government. The lieutenant governor, on the advice of the premier, appoints members of the executive council and is guided by the executive council's advice as long as it holds the confidence of the legislative assembly.

The lieutenant governor, on the recommendations of the premier, convenes, prorogues and dissolves the legislative assembly and gives Royal Assent to all measures and bills passed by the assembly before they become law.

The executive council, or cabinet, is composed of selected members of the ruling party and is headed by the premier. Members of the cabinet usually head government ministries and are members of a variety of cabinet committees (see Appendix 8). At present the cabinet is made up of the premier and 18 ministers.

The cabinet determines government policy and is held responsible by the legislative assembly for the operation of the provincial government. Deputy ministers are the chief operating officers of ministries and are appointed by the executive council. Deputy ministers are responsible for carrying out government policies and for managing the work of their ministries.

The Judiciary

The judiciary perform a number of functions central to the orderly operations of society. One important role of the judiciary is to settle disputes between private citizens using judge-made law, known as "common-law". Another is to interpret laws passed by the federal parliament and provincial legislatures in areas such as criminal and family law, and to settle disputes between the government and citizens. An increasingly important function of the judiciary is to determine whether laws passed by governments conform with the values expressed in the Canadian Charter of Rights and Freedoms.

The British Columbia judicial system is composed of the Court of Appeal for British Columbia, the Supreme Court for British Columbia and the Provincial Court of British Columbia, which includes Small Claims Court and Family Court. Judges are appointed to the British Columbia Court of Appeal and Supreme Court by the federal government and to the Provincial Court by the provincial government.

The federal judicial system includes the Tax Court of Canada, the federal Court of Appeal, the Federal Court of Canada and the Supreme Court of Canada. The Federal Court of Canada hears cases in limited areas of exclusive federal jurisdiction, for example, reviewing decisions made by federal tribunals such as the Canada Labour Relations Board. The Supreme Court of Canada is the court of final resort and hears selected appeals from the federal Court of Appeal and provincial Courts of Appeal.

Provincial Government Jurisdiction

Under Canada's constitutional framework, the province has ownership and jurisdiction over natural resources and is responsible for education, health and social services, municipal institutions, property and civil rights, the administration of justice and other matters of purely provincial or local concern. Provincial programs in support of this jurisdiction are detailed in Chapter 6.

Provincial Taxes

To meet its financial commitments, the provincial government has authority to collect revenue through direct taxation within provincial boundaries and to borrow on provincial credit.

Income Tax Rates

The British Columbia personal income tax rate is 51.5 per cent of basic federal tax. This means that a typical British Columbia taxpayer is required to remit $51.50 in income tax to the provincial government for every $100 of basic federal income tax, calculated before the addition of federal surtaxes and federal refundable credits. For the 1991 to 1994 taxation years, high-income earners are also required to pay a temporary surtax of 10 per cent of provincial tax in excess of $9,000. This surtax will be reduced by $50 per dependant. A wage earner, who earns $45,000 per year and has a dependent spouse and two dependent children, would pay provincial income tax equal to approximately eight per cent of total income in 1991.

The corporation income tax rate for corporations not qualifying as small businesses is 15 per cent of taxable income earned in the province. For a corporation qualifying as a small business, the rate is nine per cent.

Other Tax Rates

The general tax rate on purchases of tangible personal property imposed under the *Social Service Tax Act* is six per cent. Purchases of liquor products are taxed at a rate of 10 per cent.

The tax rate on hotel accommodation is eight per cent. Municipalities, regional districts and other eligible entities may request that the provincial government levy an additional tax of up to two per cent on their behalf. The revenue from the additional tax must be used to fund tourism-related projects or to promote tourism. Additional hotel accommodation taxes are currently levied on behalf of: the Resort Municipality of Whistler, the cities of Vancouver, Victoria and Prince Rupert; the districts of Oak Bay and Saanich; and the town of Smithers.

The corporation capital tax is applied to taxable paid-up capital at a rate of two per cent for those chartered banks and trust companies with taxable paid-up capital in excess of $500 million. These corporations may deduct British Columbia corporation income tax from their corporation capital tax liability.

Fuel tax rates (except for marine bunker fuel and natural gas used in stationary engines) are adjusted every three months in accordance with changes in the gasoline sub-component of the Vancouver consumer price index. The provincial tax rate on clear unleaded gasoline is 22.5 per cent of the retail price before tax (8.82 cents per litre at Oct. 1, 1991). The tax on clear leaded gasoline is equal to the unleaded rate plus two cents per litre. Tax rates on most other fuels are seven per cent of the pre-tax price of clear gasoline. The tax on marine bunker fuel and natural gas used in stationary engines is seven per cent of its pre-tax retail price.

Compressed natural gas and propane used to propel motor vehicles are exempt from provincial fuel tax. People who qualify as being disabled are eligible for a 100 per cent rebate of tax paid on fuel purchased for use in their own vehicles.

The property purchase tax is charged to a purchaser who registers a transfer of real property in a land title office. The tax rate is one per cent on the first $200,000 of fair market value transferred and two per cent on the balance.

Tax rates for cigarettes and most other tobacco products are adjusted in accordance with changes in the tobacco sub-component of the Vancouver consumer price index on March 1st and September 1st of each year. The tax rates were 9.4 cents per cigarette and 7.2 cents per gram of loose tobacco at September 1, 1991.

Other provincial taxes, including horse racing tax, insurance premium tax, real property tax, logging tax, mining tax, and mineral land tax, are described in Appendix Table A5.3 which lists major provincial taxes, exemptions and tax credits. Appendix Table A5.2 provides an interprovincial comparison of tax rates.

Recent Provincial Government Legislation of Financial Significance

The following legislation of financial significance was enacted by the legislature during the 1991 spring session. Appendix Table A5.1 provides a summary of major tax changes effective in 1990 and 1991.

- The *Budget Measures Implementation Act, 1991* enacts revenue measures introduced in the 1991 budget.
  - — It introduces a temporary personal income surtax.
  - — It delays the scheduled phase-out of the renter's tax reduction by one year, ensuring that the reduction is available until the 1995 taxation year.
  - — It increases the general corporate income tax rate by one percentage point to 15 per cent effective January 1, 1991. The small business rate remains at 9 per cent.
  - — It increases tobacco tax rates to 9.4 cents per cigarette and 7.2 cents per gram of loose tobacco effective September 1, 1991.
  - — It amends the *Taxation (Rural Area) Act* to allow significant property tax reductions for rural property owners effective January 1, 1991.
- The *Property Purchase Tax Amendment Act, 1991* provides a new exemption for land which is to be protected, preserved, conserved or held in its natural state; clarifies the intent of the High-Ratio Financing Tax Relief Program; amends the exemption for transfers of principal residences between related individuals; and clarifies the definition of family farm corporation, the exemption for transfers to and from the Public Trustee and the basis on which tax is payable under the act.
- The *Taxpayer Protection Act* requires the government to table a five-year balanced budget plan each year in which:
  - — the General Fund budget must be balanced over the five years covered by the plan; and
  - — annual expenditure growth in the first year of the plan cannot exceed the average annual growth in provincial gross domestic product over the most recent five years.

Under the act, the Budget Stabilization Fund was dissolved on April 1, 1991, and its balance was transferred to the General Fund.

International Relations

The provincial government has undertaken a number of activities in recognition of the importance of foreign trade and investment to British Columbia's economy. In addition, the province continues to foster strong international ties in other areas, such as the environment, education, energy, technology, tourism and culture.

Trade and Investment

The provincial government, through the British Columbia Trade Development Corporation, encourages the export of British Columbia goods and services and fosters the expertise needed to compete in export markets. For more information on the British Columbia Trade Development Corporation, see Chapter 7.

The province maintains representative offices in Ottawa, the United States, Europe and Asia that promote the acquisition of new technology through direct investment, joint-ventures, licensing agreements, business immigration, education and tourism opportunities in British Columbia. This year, the representative office in Tokyo relocated to Place Canada, the new Canadian Embassy building, and continues to raise the province's profile and resources in Japan (the province's second largest export market).

Over the past year, the provincial government welcomed business delegations from all parts of the world to British Columbia, including those accompanying the Presidents of Finland and Germany and the Governor of Oregon. As well, in April of this year, the province played host to the Twenty-fourth Annual Meeting of the Board of Governors of the Asian Development Bank. In conjunction with this prestigious meeting of senior financial people, a major seminar on "Asian Development — A Global Partnership" was successfully organized and co-sponsored by the province.

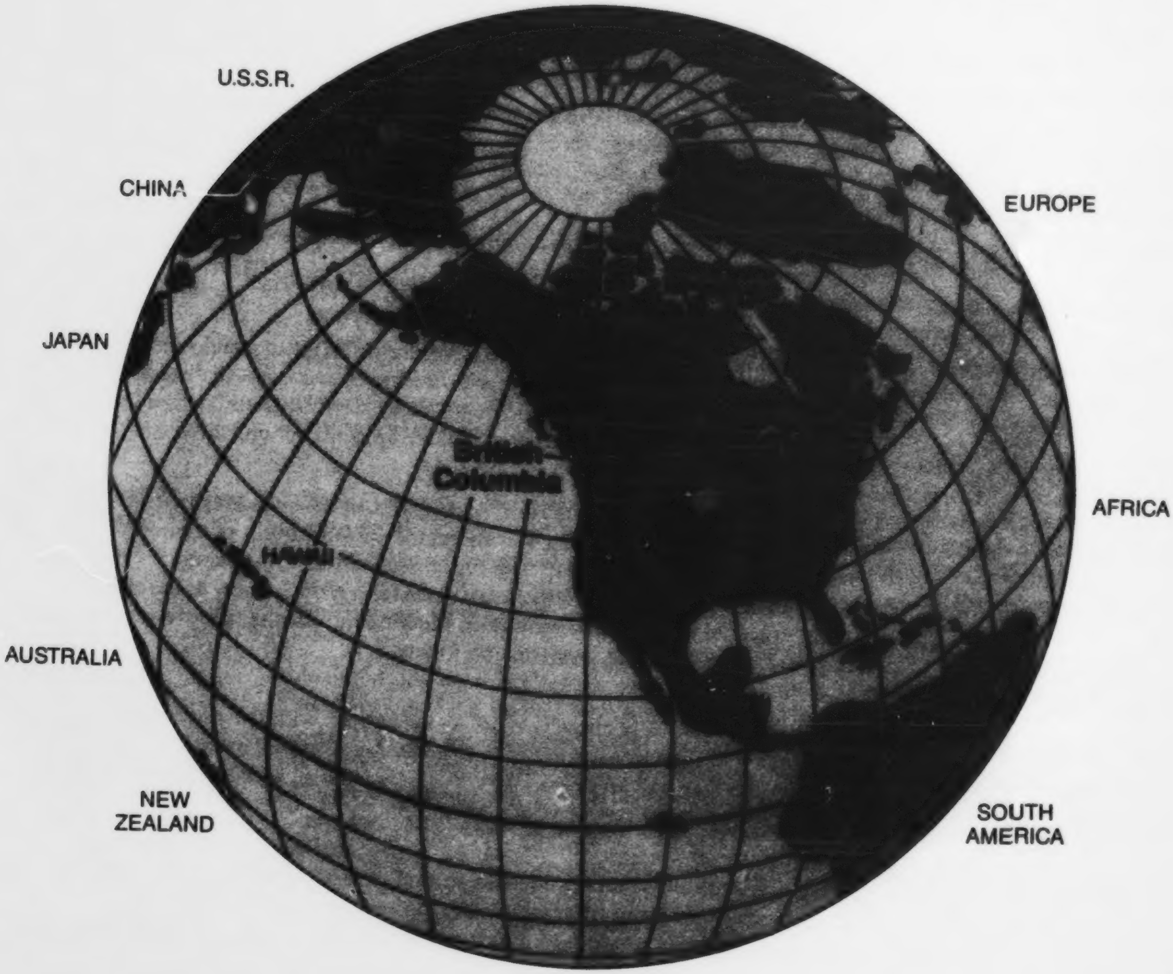
Delegations of business and government representatives, including cabinet ministers, made a number of trips during 1990/91 to hold discussions with foreign governments and business leaders and to promote trade and investment opportunities in British Columbia. Visits to Europe, the United States, Asia and Australia continued to highlight and promote industries such as electronics, aerospace and financial services. For the third consecutive year, business and government representatives attended the World Economic Forum held in Davos, Switzerland.

The provincial government also played an important role in two major Canadian initiatives in Asia: *Festival Canada* in Hong Kong and *Great Canada 91* in Japan. Both initiatives were successful in highlighting the strong cultural and commercial ties that exist, and served to reinforce Canada's image as a Pacific Rim nation.

Multilateral Trade Negotiations

In September 1986, representatives from over 90 countries met in Punta del Este, Uruguay, under the auspices of the General Agreement on Tariffs and Trade (GATT) to launch a new round of Multilateral Trade Negotiations (MTN). As more than half of British Columbia's exports are destined for markets other than the United States, the province places a great deal of importance on a successful conclusion to the Uruguay Round of MTN.

Map 5.1 British Columbia — An International Perspective



Negotiations were suspended in December 1990, due to an impasse over the issue of agricultural trade, but resumed in early summer 1991.

British Columbia's MTN negotiating priorities have been communicated to Canadian trade negotiators and include:

- elimination of tariff and non-tariff barriers, particularly on natural resource-based products;
- greater liberalization of trade in agriculture, providing that the right of Canadian producers to continue operating under GATT-legal supply management regimes is respected;
- maintenance of GATT laws governing the right to take natural resource conservation measures;
- improved GATT trade rules and dispute settlement procedures; and
- establishment of a multilateral framework of principles to regulate international trade in services.

Canada-U.S.-Mexico Free Trade

On February 5, 1991, Canada, Mexico and the United States announced their intention to enter negotiations to reach a comprehensive North America free trade agreement. The trilateral free trade negotiations, formally launched in Toronto on June 12, 1991, are expected to be concluded prior to autumn 1992.

A report, summarizing the views of participants in consultations between the provincial government and the private sector on the subject of trilateral free trade, was released on June 28, 1991. The report showed that the province's business community was generally supportive of Canada's participation in the negotiations, citing potential export opportunities in the Mexican market. Labour groups were opposed, citing possible domestic job losses.

Based on the results of the province's consultations with the private sector, British Columbia will reserve judgement on a North America free trade agreement until the province has had an opportunity to assess such an agreement and determine its overall impact on British Columbia.

Mexico is British Columbia's most important Central American trading partner, and the province's 26th most important export destination. In 1990, British Columbia exported $34 million worth of goods to Mexico, including wood pulp, petroleum oils, sulphur, and machinery for pulp production.

Education

The Pacific Rim nations are a rapidly growing economic and social presence, and are important trading partners of British Columbia. In 1988/89, the Pacific Rim Education Initiatives Program was introduced to provide educational opportunities for British Columbia teachers and students, and to establish closer cultural and economic links with countries in the Asia Pacific region (Japan, Thailand, Malaysia, Korea, Taiwan, Hong Kong and China).

As of July 1991, more than 2,000 students and 1,000 teachers travelled to Asia. One-year provincial scholarships were awarded to 48 students, while 20 teachers were selected for international teaching assignments in Asian countries. Each year over 100 highly qualified, fee-paying Asian students are recruited to attend schools in British Columbia. In addition, the number of students enrolled in Japanese and Mandarin language programs has jumped from 250 in 1987 to 4,500 in 1991.

The Ministry of Education also coordinates a student exchange program with Germany. Each year, 100 British Columbia and German students spend three months in each other's country, while 26 German educators and administrators make one or two-week trips to the province. Plans are underway to expand the program in light of the changing political and economic climate in Europe.

Technology

The province and the federal government funded a project viability study for expanding the TRIUMF particle accelerator into a $1-billion KAON facility at the University of British Columbia. The KAON facility could attract some of the world's best scientists to British Columbia.

This proposed world centre for the production of sub-atomic particles has generated financial commitments from nine countries, including the United States, Germany, Britain and Japan. In September 1991, the federal government offered to fund $236 million of the construction cost, but made no commitment to fund the annual operating cost estimated to be $128 million starting in 1998. A decision on expansion is currently under consideration.

Federal-Provincial Relations

British Columbia is actively involved in developing and pursuing policies to advance its interests and exercise its jurisdiction in a number of areas where responsibilities are shared with the federal government. These include trade, environment, regional development, human resource development, immigration, agriculture and fisheries.

Over the past year, the premier and other members of the executive council have participated in discussions with other provincial, territorial and federal governments. Western Premiers' Conferences, the annual Premiers' Conference (the 1991 conference was hosted by British Columbia at Whistler) and First Ministers' Conferences, as well as intergovernmental conferences and task forces, have addressed social, economic, fiscal and environmental policy and program issues.

British Columbia House in Ottawa maintains the provincial government's presence in the nation's capital. It represents the province at federal-provincial meetings and provides contact and liaison with federal ministers and officials on provincial priorities. It also promotes the province's economic development and diversification interests, particularly in the area of federal procurement.

Currently, there is extensive debate on the shape of Canadian confederation. In September 1991, the federal government announced its proposals to reform the constitution. The accompanying topic box provides information on the Government of British Columbia's initiatives on constitutional renewal.

Constitutional Reform

Introduction

Constitutional reform continues to be an important issue to the public despite the failure of the Meech Lake Accord. The provincial government has not yet established a position on constitutional change and is seeking direction from the people of British Columbia on the type of federation they desire.

Consulting with British Columbians

In December 1990, the government established a Cabinet Committee on Confederation to develop British Columbia's position on constitutional reform. The committee's first priority was to initiate a process for soliciting the views of British Columbians.

In addition to the cabinet committee, a Select Standing Committee on Constitutional Matters and Intergovernmental Relations was established by the legislative assembly in May 1991. Its mandate is to consider the current state of the Canadian federation and to consult broadly on:

- the social and economic interests and aspirations of British Columbians and other Canadians within the federation; and
- the form of federation that can most effectively meet these social and economic aspirations.

This select standing committee held its first round of public hearings across the province, so the people of British Columbia could offer advice and recommendations to the Legislature. The work of the Cabinet Committee on Confederation and the findings of the select standing committee will contribute to the development of British Columbia's position on constitutional reform.

Constitutional Information

The provincial government published a series of papers entitled *Confederation for the Twenty-First Century*. The first is entitled *A Background Discussion Paper* and was published in March 1991. It provides British Columbians with information on constitutional issues and options to assist them in developing their own conclusions on constitutional reform.

A second paper, *The Renewal of the Federation: A British Columbia Perspective*, by Melvin H. Smith Q.C., a constitutional advisor to the provincial government, was published in May 1991. It presents recommendations to the government for upcoming constitutional negotiations.

Two additional publications, aimed at providing British Columbians with different views on the current constitutional debate, various options, and the implications of those options, were published in the summer of 1991. The first, *Discussion Papers on British Columbia in Confederation*, is a collection of articles written by individuals from various walks of life. Each author presents a personal viewpoint. The second publication, *The Economy and Constitutional Change*, was written by Donald J. Wright, who has a range of experience and education, and focuses on Canada as a federation in an economic context. It is a study on how a proposed set of constitutional/ institutional changes could improve the Canadian economy.

The Government of British Columbia hopes to stimulate public discussion and help build consensus on the direction to be taken by the province through the distribution of these papers.

Copies of these papers may be obtained by contacting:

Office of the Premier
Intergovernmental Relations
614 Government Street
Victoria, British Columbia
V8V 1X4
Telephone: (604) 387-0752
Facsimile: (604) 387-1920

Further information on the select standing committee may be received by contacting:

Mr. Craig James
Clerk of Committees
Room 224, Parliament Buildings
Victoria, British Columbia
V8V 1X4
Telephone: (604) 356-2933 (call collect from within B.C.)
Facsimile: (604) 356-8172

Future Directions

The Government of British Columbia has extended an open invitation to all British Columbians to provide their thoughts and recommendations on constitutional reform. The province is committed to listening to the views of British Columbians before defining a formal position in negotiations with other provinces and the federal government on the future of the Canadian federation.

Federal-Provincial Fiscal Arrangements

British Columbia has played a lead role in promoting a new fiscal federalism. The province is working with other governments to develop a consensus on the changes to federal-provincial fiscal arrangements that will help remedy the fiscal problems facing the country.

Health Care and Post-Secondary Education Transfers

In 1977, the Established Programs Financing (EPF) mechanism replaced cost-sharing of hospital insurance, medical care and post-secondary education with a combination of transferred personal and corporation income tax points and federal cash payments to the provinces. The federal government also makes per capita cash payments for extended health care programs. The transfer is largely unconditional, with the exception of a requirement to adhere to five basic principles of health care.

In recent years, the federal government has modified the EPF program several times to reduce its contributions to the provinces. At present, the cash transfer is changed annually, depending on the per capita growth in Canadian gross national product less three per cent, the growth in provincial population and changes in the provincial personal and corporation income tax bases. In its 1990 budget, the federal government announced a two-year freeze in the per capita growth of the EPF transfer. The 1991 federal budget extended the freeze for an additional three years through to 1994/95. This freeze reduced provincial revenues by $141 million in 1990/91 and will have a negative impact of $249 million in 1991/92. By 1994/95, the accumulated revenue loss of all changes to EPF transfers is estimated at almost $7 billion.

During 1990/91, British Columbia received an EPF cash payment of $1,110 million.

Equalization

The federal government's equalization program provides cash payments to provinces with relatively low revenue-raising ability to help them maintain a reasonable standard of public services without unduly high tax rates. Under the program, each province's revenue raising capacity is measured against the average of five representative provinces. British Columbia does not qualify for equalization payments from the federal government.

Tax Collection Agreements

Provinces levy income taxes and through tax collection agreements, a number of provinces, including British Columbia, have authorized the federal government to collect personal and corporation income taxes on their behalf. Nine provinces participate in the personal income tax collection agreement and seven participate in the corporation income tax agreement. Quebec does not participate in either of the agreements, while Ontario and Alberta collect their own corporation income tax.

The advantage of having the federal government collect provincial taxes is that each taxpayer is required to file only one tax return for payments of both federal and provincial government income taxes. Under the agreement between Canada and British Columbia, the province must adopt income tax legislation and regulations similar to those of the federal government. This reduces provincial government control over its own tax base. However, the federal government is considering a request from the provinces to allow provincial tax to be applied

Tax on Taxable Income

Background: The Current Arrangements

Under the current tax collection arrangement with the federal government, a province is restricted to levying a single provincial personal income tax rate at all levels of income; this rate is expressed as a percentage of *basic federal tax*. The provincial portions of the major non-refundable tax credits (e.g., spousal, child, age, etc.) are determined automatically by applying the provincial tax rate, as a percentage share of basic federal tax, to the value of the same federal tax credits.

Over the years, there has been a gradual expansion of a province's ability to control its effective tax rate structure. In negotiations with the federal government, provinces have been granted the power to institute refundable tax credits, surtaxes, and, as a temporary experiment, flat-rate taxes.

Disadvantages of the Current System

The British Columbia government believes that the following disadvantages of the current tax collection arrangement need to be addressed.

- Many provincial governments feel that they do not have sufficient tools under the federally-administered income tax system to make provincial income taxes reflect the province's needs and priorities.

- The system can become quite complex when provinces use tax credits, surtaxes and/or flat taxes to alter the incidence[1] of the tax system.

- The accountability of each level of government to the public is diluted because it is not clear which level of government is responsible for income taxation.

- The federal government has indicated its intention to terminate its administration of provincial flat-rate taxes (not applicable in British Columbia).

The Provincial Tax on Taxable Income Proposal

To overcome these shortcomings while maintaining the advantages of joint tax collection, a "tax on taxable income" proposal was developed by the provinces in the late 1980s. The proposal comprises two main elements:

- Provincial flexibility to set separate provincial tax rates for different income brackets; and

- Provincial flexibility to set specific provincial values for non-refundable tax credits, such as the basic, spousal, child and age credits.

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[1] "Incidence" refers to the effect of the tax structure on the distribution of the tax burden between individuals, and over time.

☞

The proposal was carefully designed *not* to undermine tax harmony in Canada. The essential element of this harmony — a common definition of taxable income — is retained.

In its 1991 budget, the federal government announced a procedure for exploring this proposal further. A public consultation process, guided by a public discussion paper and review by a group of outside tax practitioners, was proposed.

Benefits of the Provincial Proposal

The provincial proposal offers the following benefits:

- would enable the accommodation of different provincial priorities;
- would improve tax collection accountability; and
- would tend to simplify the tax system in many provinces.

On this last point, some public concern has emerged that the proposal may make the tax system more complex. This is largely unfounded.

Provincially-set tax rates — The use of tax tables would render the two systems indistinguishable for most taxfilers and the calculation process would be exactly the same. Those taxfilers who use the longer tax calculation schedule likely would have two or three additional lines to complete.

Non-refundable tax credits — These credits would be calculated separately from the calculation of the federal credits; however, this would be a simple task involving little additional work for the typical taxfiler.

Finally, the "tax on taxable income" proposal would greatly *reduce* the need for provincial surtaxes and special refundable tax credits because each provincial government could set the tax rates it felt were appropriate for various levels of income.

Conclusion

The "tax on taxable income" proposal is one approach to improving the tax system. It would give participating governments more flexibility to implement policies that reflect specific objectives and priorities. As well, the proposal constitutes a middle-ground option between the status quo and separate federal and provincial income tax systems.

directly to taxable income. The proposal would provide the provinces with significantly greater policy flexibility while maintaining the current system's advantage of common administration. (See the accompanying topic box for more details.)

Canada Assistance Plan

The other major federal-provincial financial agreement is the Canada Assistance Plan (CAP) through which the federal government makes payments to the provincial government, on a cost-shared basis, for eligible expenditures on income assistance and social services. British Columbia's CAP receipts were $764 million in 1990/91.

As part of its 1990 budget restraint measures, the federal government announced that it would limit the growth of CAP transfers to those provinces that did not receive equalization payments to a maximum of five per cent per year for 1990/91 and 1991/92. The 1991 federal budget extended this limitation for an additional three years to 1994/95. The province successfully challenged the legality of the federal proposal in the British Columbia Court of Appeal. The federal government appealed this decision to the Supreme Court of Canada, which overturned the finding of the British Columbia Court of Appeal in August 1991.

Other Federal Government Contributions

The provincial government has agreements with the federal government in many other areas including employment training, public housing, economic development, forestry, agriculture, ferry services, fisheries enhancement, youth corrections, and the rehabilitation of disabled persons. Most of these agreements are for a limited duration. Federal government contributions to General Fund revenue for these various programs totalled $135 million during 1990/91.

During 1990/91, approximately 14 per cent of provincial government revenue was received in the form of federal government contributions. Due to federal government deficit reduction efforts, this proportion will decline in future years.

Renewal of existing agreements across Canada for the delivery of provincial and municipal police services by the Royal Canadian Mounted Police have been negotiated, with British Columbia as the lead province. An agreement in principle between the federal government and a committee representing the provinces and territories was reached in September 1991.

Local Governments

Local governments in British Columbia consist of incorporated municipalities, regional districts, school districts, regional hospital districts and special purpose improvement districts.

The 149 incorporated municipalities, which include 39 cities, 49 districts, 15 towns, 45 villages and 1 Indian government district, provide facilities such as roads, waterworks and sewers, as well as a wide range of social, recreation and protection services.

The 29 regional districts incorporated under the *Municipal Act*, including municipal and other local areas, provide services efficiently over a large area.

Almost all of the province is included within regional district boundaries. The Stikine region is the only unincorporated area in the province.

The 75 school districts incorporated under the *School Act* provide coordinated administration of schools. These districts cover 98 per cent of the province and usually combine adjacent municipal and non-municipal areas.

The 29 regional hospital districts incorporated under the *Hospital District Act*, which share boundaries with the regional districts, assist in the planning and construction of health facilities.

Finally, there are 310 improvement districts, primarily in non-municipal areas, incorporated under the *Municipal Act* or the *Water Act*. Services provided by improvement districts include waterworks, fire protection, irrigation, street lighting, drainage, garbage disposal, sewage disposal, parks and playgrounds, dyking, community halls, recreation areas, cemeteries, land acquisition, boat landings, mosquito control, river bank protection, water treatment, electrical energy and lake level control.

Municipal Finance Authority of British Columbia

The Municipal Finance Authority is incorporated under the *Municipal Finance Authority Act* as a central agency to provide financing of capital requirements and interim financing, and short-term investment opportunities for regional districts and municipalities in British Columbia.

All regional districts and their member municipalities (except the City of Vancouver) and two special purpose districts are required to finance their long-term capital requirements through the authority. The authority issues its own securities and lends the proceeds to the regional districts at whose request the financing was undertaken. The authority's bonds are rated AA+ by Canadian Bond Rating Service, Aaa by Moody's Investors Service, and AA+ by Standard and Poor's Corporation.

Obligations of the authority are not obligations of, or guaranteed by, the provincial government. The combined credit-worthiness of all the regional districts and their member municipalities, which together encompass almost all of the taxable land and improvements in the province, stands behind the authority's obligations. In addition, a debt reserve fund is maintained to satisfy obligations in the event that sufficient funds are not available to meet payments or sinking fund contributions. If the Board of Trustees of the authority is of the opinion that payments made from the debt reserve fund will not be recovered within a reasonable period, it may, and under certain circumstances must, levy rates on all taxable land and improvements in the province sufficient to restore the fund to the original level.

As of May 31, 1991, the outstanding long-term debt of the authority was $1,271 million, while the debt reserve fund balance was $159 million.

Since December 31, 1990, the authority has operated an interim financing program for regional districts and municipalities which provides temporary financing of capital projects; financing of short-term debts of a capital nature; and financing of current expenditures in anticipation of the receipt of tax revenues. Participation in the program is voluntary.

Also, the authority operates two pooled investment funds for the purpose of holding and investing money received from regional districts and municipalities. Participation in the funds is voluntary and as of May 31, 1991, the net assets of the funds were $197 million.

British Columbia Assessment Authority

The British Columbia Assessment Authority is incorporated under the *Assessment Authority Act* as an independent, publicly-funded corporation with responsibility for establishing and maintaining real property assessments throughout British Columbia in accordance with the *Assessment Act*. The authority is governed by a seven-member board of directors reporting to the Minister of Municipal Affairs, Recreation and Culture.

With the exception of farm land, forest land and some utilities, land and improvements are assessed at their market value as of a specific date. The provincial government has prescribed nine classes of property, for which different tax rates may be set.

A new assessment roll is completed by September 30 of even-numbered years for use in the next two tax years. A revised assessment roll is completed by September 30 in each odd-numbered year for those properties which have undergone changes in physical characteristics, classification or ownership. The assessment roll, once certified by the assessor, is presented to the taxing jurisdictions (i.e., municipal governments, regional districts, school boards, etc.) to form the basis of their tax rolls. Individual assessment notices are sent to all assessed owners. Taxing authorities set tax rates for each of these property classes.

The authority maintains an extensive and up-to-date information data base on all properties in British Columbia. In addition to providing information in the form of assessment rolls, the authority also provides accurate property and value information to taxing authorities, through a cooperative program of information sharing, and to all property owners or their authorized agents. Confidential property information, not shown on assessment rolls, is only available to the property owner.

Property valuation by the authority is subject to checks and balances in the form of legislated appeal procedures through the Courts of Revision, the Assessment Appeal Board and finally, the court system. The actual and school taxable values are shown in Table 5.1.

Provincial-Local Relations

The provincial government funds a number of programs for local governments including a revenue-sharing program, a downtown revitalization program, grants in lieu of property taxes and a home owner grant program. In addition, significant financial contributions are made to school districts and regional hospital districts (see Chapter 6 for details).

Table 5.1 Actual and School Taxable Property Values, 1991

	Total Actual Value	School Taxable Value[1]
	($ millions)	
(a) By taxing jurisdiction		
Cities	108,304	92,450
District municipalities	92,626	80,962
Towns	3,281	2,811
Villages	2,005	1,622
Rural	32,149	24,817
Total	238,365	202,662
(b) By property classification		
Residential	160,401	152,861
Utilities	13,004	9,696
Unmanaged forest land	28	27
Major industry	6,010	5,396
Light industry	2,540	2,229
Business/other	48,379	30,769
Managed forest land	520	521
Recreational property/Non-profit organization	6,104	499
Farm land	1,379	664
Total	238,365	202,662

[1] School taxable value is the total actual value of property less the value of property that is exempt from school tax.

Revenue Sharing

Under the 1977 *Revenue Sharing Act*, a revenue-sharing formula gives municipalities access to a portion of provincial revenue and so reduces reliance on real property taxation. The formula transfers annually into the Revenue Sharing Fund Special Account an amount equal to the yield of one point of personal income tax, one point of corporation income tax, and six per cent of social service tax, fuel tax and natural resource revenue. Municipalities and regional districts were allocated $352 million under the act in 1990/91. In addition, under a new policy, the province contributed $6 million as interest on the Grant Stabilization Account and the Local Government Emergency Account. Payments are in the form of both conditional and unconditional grants (see Appendix Table A5.4).

In 1985, a Grant Stabilization Account was established within the Revenue Sharing Fund Special Account to partly insulate grants to municipalities from fluctuations in provincial government revenue. During 1990/91, a contribution of $4 million was made to the account and the balance available for use in future years is now $35 million.

In 1991, funding for the Municipal Basic Grants program increased to between $55,000 and $110,000. As well, funding for the Regional District Administration and Basic Grants programs increased to $55,000. The province also introduced supplementary unconditional grants totalling at least 96 per cent of the previous year's level.

Downtown Revitalization Program

The Downtown Revitalization program provides grants and loans to municipalities and the business community for the revitalization of downtown areas. The Downtown Revitalization Program Society of British Columbia administers the program, which is funded by the Lottery Fund Special Account.

Grants in Lieu of Property Taxes

The provincial government pays grants in lieu of taxes on Crown property to municipalities under the *Municipal Aid Act*. The grants are equal to the assessed value of the property, multiplied by the applicable municipal and regional district tax rate, including the debt service levy. Many British Columbia Crown corporations also pay grants to municipalities on the same basis. In 1990/91, the provincial government paid $902,000 under this provision, while the British Columbia Buildings Corporation paid $10 million on behalf of provincial government ministries.

Provincial Home Owner Grant

The Provincial Home Owner Grant Program reduces property tax levies for eligible homeowners. In 1990, the grant to each eligible homeowner, to be applied first against the local school tax levy, was $430. An additional $270 grant was paid to eligible homeowners aged 65 years or over, to eligible disabled persons, and to those eligible persons receiving an allowance under the federal *War Veterans Allowance Act* or the *Civilian War Pensions and Allowances Act*.

In 1990, as a result of this property tax relief program, many British Columbia homeowners paid the minimum property tax for local government services (including education) of $350, or $100 for those eligible for the larger grant. Provincial home owner grants totalled $406 million in 1990/91, an increase of $64 million from 1989/90.

The 1991 provincial budget increased the supplemental home owner grant to 50 per cent from 25 per cent. In addition to the basic grant, homeowners now receive a supplemental grant equal to 50 per cent of the difference between the maximum basic grant and school property taxes.

Native Indians

There are approximately 84,000 status native Indians in 196 bands in British Columbia, with approximately 42,000 natives living on reserves. Although the federal government has constitutional responsibility for status Indians on reserves, it is the goal of the provincial government to encourage native Indian social and economic development.

Local Self-Government

Many native Indian organizations are seeking a greater degree of self-government, beyond the constraints of the federal *Indian Act*.

The Sechelt Band established a quasi-municipal form of government for their members after passage of enabling federal legislation in 1986 and provincial legislation in 1987. The Sechelt initiative is the first in Canada and may serve as a model for other Indian bands. The provincial government is prepared to discuss other models for self-government within the Canadian constitutional framework and issues within provincial jurisdiction.

The provincial government is also willing to transfer certain social programs to the control of native agencies. Arrangements have been made whereby two tribal councils and one band have assumed responsibility for native child and family protection services. In addition, the provincial *School Act* allows for local agreements between Indian bands and school districts in order to enhance native participation in the delivery of education.

Taxation

The federal *Indian Act* grants Indian bands taxing power over non-native occupiers of reserve lands. Local governments and the province (in rural areas) continue to have the power to tax non-native occupiers of reserves. In 1989, the *Indian Land Tax Cooperation Act* was passed which provided an opportunity for assessment procedures and tax levies to be coordinated. In 1990, the government expanded the scope of the act and replaced it with the *Indian Self Government Enabling Act*, which was designed to provide Indian bands with statutory authority to levy taxes. As a result of this legislation, the potential for double taxation of reserve leaseholders was avoided in the case of seven bands which passed taxation by-laws during the last year.

Under the legislation, bands may choose one of three taxation options which have been set up to account for possible overlap with provincial and municipal taxation interests.

The province has also made provisions for the continued availability of the home owner grant for non-native residents of reserve lands.

Aboriginal Rights

Recent legal, constitutional and political events have focused attention on aboriginal issues both in British Columbia and across Canada.

On March 8, 1991, Chief Justice Allan McEachern of the Supreme Court of British Columbia released his decision in the Gitksan-Wet'suwet'en claim (the *Delgamuukw* case) to unextinguished aboriginal title to approximately 54,000 square kilometres of land.

The Chief Justice found that aboriginal rights and title in the province were extinguished by colonial enactments. In his decision, however, he held for the first time that the province has a fiduciary obligation toward the native people of British Columbia.

The decision in the Gitksan-Wet'suwet'en case is now under appeal and is expected to be brought to the British Columbia Court of Appeal in April 1992.

The provincial government is committed to continuing consultation and negotiation with aboriginal people and the federal government in resolving outstanding issues. Further information on these issues is presented in the following topic box.

Native Land Claims

The issue of native land claims is familiar to many British Columbians. It is a very complicated issue, directly involving native peoples, the federal and the provincial governments. Indirectly, all British Columbians are involved. This topic box provides background information and the government's position on the native land claims issue.

Background

British Columbia is home to approximately 84,000 Indians registered under the federal *Indian Act*, and approximately the same number of non-registered Indians. Registered Indians are natives who have at least one parent who is a registered Indian or who are members of bands that have signed treaties with the Crown. About one-half of the registered Indians live on reserves, which are areas of land set aside by the Crown, often at the time of treaty-making.

One of the main issues relating to natives is "aboriginal title". Aboriginal title refers to unique rights of natives, including use of traditional lands. Specific rights included in aboriginal title will be clarified over time within the Canadian court system.

Bands that have signed treaties have given up some or all of their aboriginal title. Only a small area of the province is covered by treaties with natives (the Douglas Treaties on southern Vancouver Island, and Treaty 8 in northeastern British Columbia). The absence of treaties, and the growing interest of unregistered natives in asserting claims to aboriginal title to British Columbia lands have resulted in approximately 30 native land claims being advanced to the federal and provincial governments. Eighty per cent of the geographical area of the province is covered by these claims. Land claims focus on rights, resources and jurisdiction over defined areas of land, including compensation for past use of resources and full participation in all aspects of future resource allocation.

Natives' desire to assert their claims has grown, particularly since the 1973 Supreme Court of Canada *Calder* case, which was a split decision on whether aboriginal title continues to exist in Canada. The federal government subsequently established a process to negotiate and settle native land claims to ensure greater certainty about the extent, if any, of aboriginal title.

British Columbia's Policy on Native Land Claims

Historically, the provincial government's position has been that aboriginal title was extinguished by the Crown prior to the province's entry into confederation with Canada. However, if the courts decided that title continued to exist, the province's position was that the federal government was solely responsible for settling native land claims.

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In July 1990, the Premier's Council on Native Affairs submitted a report that called for "a just settlement of native land claims." Subsequently, the Government of British Columbia announced in August 1990, that it was prepared to negotiate native land claims with the federal government and native groups in the province. This fundamental shift in position was made to establish greater certainty in areas of land use and native jurisdiction.

Recent initiatives of the government include:

- establishment of a land claims registry to receive land claims from native organizations, and a land claims implementation group to develop provincial policies regarding land claims;
- commencement of negotiations with the Nisga'a Tribal Council of the Nass Valley in northwestern British Columbia. The province is committed to reaching agreement in principle with the Nisga'a and the federal government by March 1993; and
- formation of a provincial-federal-native British Columbia Claims Task Force to examine a new process for land claim negotiations in the province.

British Columbia's Commitment to Native Indians

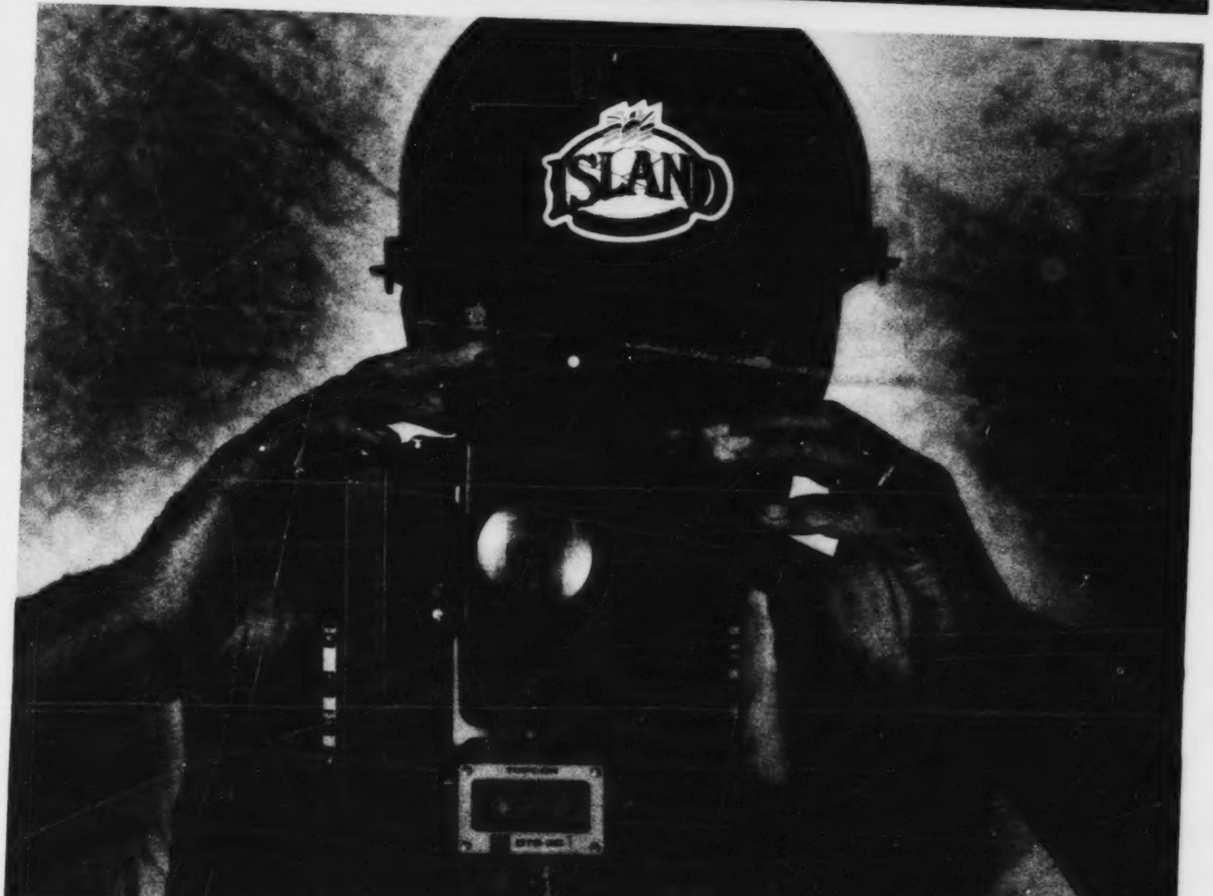
The province remains committed to a new arrangement with native peoples, even though the British Columbia Supreme Court ruled in March 1991, (the *Delgamuukw* case) that aboriginal title has been extinguished in British Columbia. The province indicated that it is prepared to continue land claim negotiations, recognizing that the majority of British Columbians believe that such negotiations would provide for greater moral, economic and political justice.

As an example of its commitment, the province has already approved in principle the primary recommendation of the British Columbia Claims Task Force Report, released in July 1991. It recommended that an independent treaty commission of federal, provincial and aboriginal representatives oversee and facilitate the claims negotiation process.

British Columbia is also re-examining its social and economic programs for natives, and consultative mechanisms with native groups, in order to improve relations between natives and other British Columbians.

Chapter Six

Major Provincial Programs



6: Major Provincial Programs

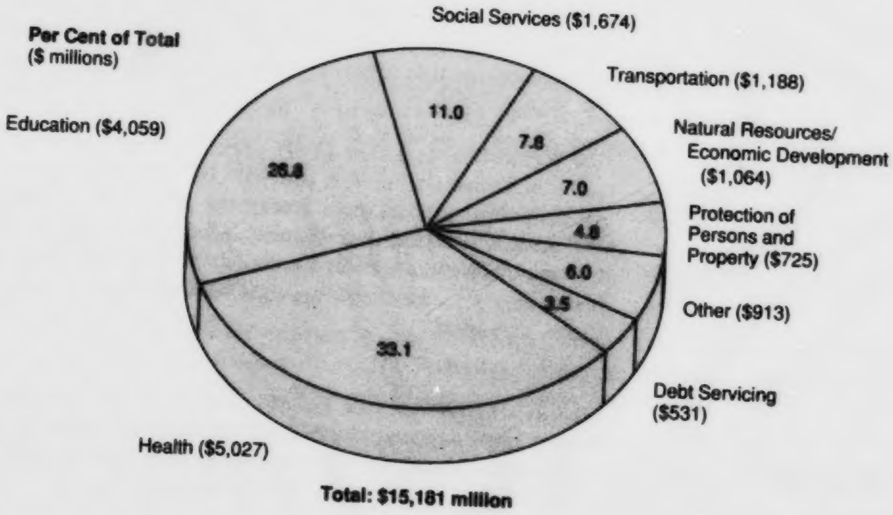
Introduction

The provincial government administers a wide range of programs that provide social services to British Columbians and encourage development and diversification of the province's economy.

Provincial social services include major programs for health, education, child protection, income assistance and housing. Other provincial programs safeguard human rights, provide law enforcement and protect the environment.

The provincial government's economic development programs promote stable and sustainable growth in the provincial economy as well as efficient management of the province's resources. These programs include government management of the province's extensive infrastructure, coordination of natural resource development and the provision of a variety of government services to business to enhance their competitiveness in the Canadian and international marketplaces. The provincial government also regulates the province's financial and commercial markets and provides services to consumers.

Chart 6.1 Expenditure by Function, 1990/91



Social Programs

Provincial government social programs form the basis for a caring and equitable society in British Columbia. These programs ensure that British Columbians in need have access to the necessities of life, while also enhancing the livelihood of all citizens by developing and maintaining a safe and stable society.

Health Programs

Total expenditure on the province's health programs during 1990/91 was $5 billion. This represents an average expenditure of $1,608 for each resident of the province. Spending by the provincial government to provide health services accounts for about one-third of total expenditures.

Hospital Care

The provincial government spent $2.5 billion on hospital care during 1990/91. Operating funds of $2.2 billion supported 11,365 beds and 1,217 bassinets in the province's 97 acute care hospitals, 428 beds in 4 rehabilitation care hospitals, 7,801 beds in 91 extended care hospitals and units, and 16 diagnostic and treatment centres. An additional $108 million was allocated for hospital construction and renovation, and $44 million for equipment purchases. During 1990/91, 437,000 acute/rehabilitation patients were admitted to the province's hospitals, with an average stay of 7.2 days. Acute care and rehabilitation patients and long-term care patients in acute care facilities received a total of 3.3 million days of care, while extended care patients received 2.7 million days of care.

Out-patient services include 206,000 day-surgery visits, 1.6 million emergency and short-stay visits, 48,000 kidney dialysis visits, 140,000 psychiatric visits, and 666,000 physiotherapy visits.

Innovative programs, such as the Community Partnership Program and the Hospital Innovation Incentive Program, have been introduced to encourage integration of service agencies and improve efficiency.

Funding for the Hospital Care Division is based on population information adjusted for demographic and referral patterns. Regular operational reviews of facilities ensure that value for money is provided.

Medical Services

The Medical Services Plan (MSP) offers comprehensive coverage of medical care and supplementary services provided by chiropractors, optometrists, physiotherapists, massage practitioners, podiatrists and naturopaths, and specific oral surgery procedures performed in hospitals. Over 98 per cent of British Columbians are covered by the MSP, while the federal government provides health care insurance under special statutes to other residents, such as armed forces personnel.

MSP expenditures during 1990/91 amounted to $1.3 billion. Subscriber premiums funded approximately one-half of this expenditure with the rest being funded out of general revenue. Premium assistance was also provided to lower income persons (see Appendix Table A6.1).

During 1990/91, MSP expenditures were distributed as follows:

- approximately $1.2 billion was paid to physicians and surgeons, including $62 million for salary and sessional payments, and $25 million to the physicians' education, disability and liability funds;
- $77 million was paid to supplementary benefit practitioners; and
- $31 million for administration.

The major accomplishments of MSP during 1990/91 were:

- establishment of the Program Monitoring and Education Branch to ensure that medical services are provided efficiently and effectively;
- increased emphasis on service quality through improved telephone service, enhanced communications with the public and practitioners, and the development of simple, understandable information materials;
- successful conclusion of fee-for-service negotiations with the British Columbia Medical Association; and
- studying alternatives to fee-for-service delivery.

Continuing Care Program

The Continuing Care Program provides a comprehensive range of community-based, supportive care services to assist people with health-related problems. During 1990/91, the program spent $506 million on the following:

- Residential Care Services, which provide care and supervision for people who can no longer stay in their own homes (22,100 clients were accommodated in 365 care facilities in 1990/91);
- Homemaker Services, which enable people with health-related problems to remain in their own homes by providing personal assistance with daily activities and housekeeping (56,500 clients received help in 1990/91);
- Home Nursing Services, which provide in-home professional nursing care by experienced registered nurses during illness (over 38,000 clients received 700,000 nursing visits in 1990/91);
- Community Physiotherapy and Occupational Therapy Services, which help to promote and maintain functional independence of clients by offering various services either at home or in a residential care setting (11,100 clients received approximately 40,000 visits in 1990/91);
- Adult Day Care Services, which provide an organized program of health, social and recreational activities in a group setting to enhance and complement services provided in the client's home or in a care facility (5,350 clients received services in 1990/91);
- Group Homes for Independent Living Services, which allow young adults with physical disabilities to increase their independence by living in a community setting (246 clients were living in group homes in 1990/91); and
- Respite Care Services, which provide a temporary substitute for primary non-professional caregivers, either through home respite service or by admitting the client to a care facility.

The following developments occurred in 1990/91:

- the *Continuing Care Act* (passed by the Legislative Assembly in 1989) was brought into force by Order in Council on July 1, 1990;
- the In School Support for Special Needs Students Program was developed by the Ministry of Health in collaboration with the Ministry of Education;
- the Interministry Committee on Elder Abuse was established to coordinate elder abuse initiatives throughout government and to provide policy recommendations to ministry program areas;
- a total of 11 Comprehensive Care Pilot Projects were established to test new, innovative approaches to delivering care in residential settings, at a cost of $1 million; and
- a major program expansion took place in adult day care (30 new or expanded programs established) and homemaker services (increased 24.5 per cent over 1989/90).

Pharmacare Program

The Pharmacare Program provides reimbursement for prescription drugs, eligible medical supplies and designated permanent prosthetic appliances. As of August 1, 1991, 80 per cent of eligible expenditures in excess of $375 are reimbursed under the program for the majority of British Columbians. British Columbians aged 65 and over receive free prescription drugs, but are required to make a 75 per cent co-payment of drug dispensing fees up to an annual maximum of $125. Residents of licensed long-term care facilities and private hospitals, and eligible income assistance recipients receive program benefits at no personal cost. As well, blood glucose testing materials are now provided to diabetics having a Certificate of Training where testing is medically indicated. Expenditures for this program were $256 million during 1990/91.

Community and Family Health Care

Community and Family Health Care includes mental health services, court-related psychiatric services, services to the disabled, and community and preventive health services. During 1990/91, $338 million was spent to provide these services.

Facilities providing mental health services include the Burnaby Psychiatric Service, the Greater Vancouver Mental Health Services Society, Riverview Hospital and 60 other mental health centres.

The Forensic Psychiatric Services Commission provides consulting and assessment services to the courts and treatment to mentally-disordered persons referred by court order. Facilities include: the Forensic Psychiatric Institute, a 151-bed secure facility; the 61-bed Maples Adolescent Treatment Centre; and a 9-bed in-patient assessment unit for youths requiring assessment under the *Young Offenders Act.*

The Services to the Handicapped Branch was established to develop community-based alternatives to institutional care for persons with severe disabilities. Emphasis is on community placement of persons with mental disabilities. The branch also funds Glendale Lodge, a 300-bed facility for individuals with mental disabilities.

The Family Health and Environmental Health Protection Divisions promote lifestyle and health care practices that help eliminate or minimize illness and disease. These divisions include: activities of the public health nursing, fitness, nutrition, dental health, and speech and hearing branches; health education and immunization programs; public health inspections and radiation protection services; and the British Columbia Centre for Disease Control. The centre coordinates health services for the control of sexually-transmitted diseases and tuberculosis, provides kidney dialysis services and manages provincial public health laboratories and government employee health services.

During 1990/91, staff at the Community and Family Health Division was expanded with additional funding — 12 community mental health workers for the provision of child and youth mental health services; 23 staff to address major deficiencies in environmental health services; and 45 physiotherapy, occupational therapy and speech language pathology staff to provide services for pre-school children with special needs.

New programs were also developed during 1990/91. Sexual offender treatment programs were added in Nanaimo, Abbotsford, Ford Mountain Correction Centre, Quesnel, Williams Lake and Kelowna. The Provincial Advisory Committee on Mental Health and a number of regional and local advisory committees were established to honour the ministry's commitment to an ongoing consultation process concerning mental health issues. Community mental health rehabilitation programs capacity increased by 16 per cent over the previous year, and vaccines for illnesses such as influenza, measles and tetanus were distributed to seniors and school children.

Alcohol and Drug Programs

Alcohol and Drug Programs Headquarters has responsibility for planning, funding and coordinating treatment and prevention programs related to the abuse of alcohol and other drugs in British Columbia. This has been accomplished through a regionalized organization designed to respond to community needs.

The three-year, $137-million Community Awareness and Action Plan (CAAP) to counter substance abuse in British Columbia ended in 1990/91. Evaluation of CAAP showed that Alcohol and Drug Programs achieved significant success in meeting the following objectives:

- development of a comprehensive strategy of prevention;
- expansion and enhancement of treatment resources;
- development of innovative community projects; and
- evaluation and research.

The commitment to community-based prevention and treatment services made in 1988 will continue.

Emergency Health Services

The Emergency Health Services Commission, through the British Columbia Ambulance Service, provides ambulance service and pre-hospital care. There are 724 full-time and 2,500 part-time attendants working from 363 ambulances and 17 support vehicles based in 163 communities. During 1990/91, there were over 321,127 ground ambulance trips and over 6,024 air ambulance flights. Emergency health services expenditure totalled $85 million in 1990/91.

The Critical Incident Stress Program and a back check program (Back in Action) were introduced to help ambulance personnel deal with emotional and physical stress related to their profession.

As well, Computer Aided Dispatch was brought on-line and is now fully functional in the Victoria Regional Dispatch Centre.

Vital Statistics

The Vital Statistics Division of the Ministry of Health administers the *Vital Statistics Act, Marriage Act, Name Act*, and Part II of the *Wills Act* including the registration of vital events, issuance of marriage licences, appointment of marriage commissioners, registration of name changes and other services to the public. The division also maintains a Health Surveillance Registry of genetic birth defects and disabling conditions, and operates a voluntary Adoption Reunion Registry under the *Adoption Act*. These services are provided at offices in Victoria, Vancouver, Kelowna and Prince George, as well as by a regional network of district registrars, marriage commissioners and issuers of marriage licences. During 1990, the division registered 45,000 births, 23,000 deaths, 25,000 marriages and 54,000 wills.

Education Programs

Provincial government expenditure for education programs during 1990/91 was almost $4 billion. Education programs in British Columbia are provided by two ministries: the Ministry of Education, which is responsible for primary and secondary education; and the Ministry of Advanced Education, Training and Technology, which is responsible for post-secondary education.

Public Schools

The British Columbia public school system encompasses all grades from the primary program to grade 12 with free tuition. Public school attendance, or a satisfactory alternative, is compulsory for children between 6 and 16 years of age. The length of the school year is normally 190 days.

The public education system in British Columbia is made up of 75 local school districts. Each district has an elected board of trustees which governs under the *School Act*. There were 1,595 public schools in the province in the 1990/91 school year, which included 1,155 elementary schools and 440 secondary and combination schools. Approximately 520,000 pupils were taught in these facilities.

In response to the Royal Commission on Education, the province introduced "block funding" for 1990/91. Each year, the government establishes an average per pupil amount, which is multiplied by the total actual enrolment to establish the block of funds for public education. The block is adjusted each year to reflect economic and enrolment changes. The block can also be adjusted to reflect

Year 2000: A Framework for Learning

Background

In March 1987, Mr. Barry Sullivan, Q.C., a Vancouver lawyer, was appointed Commissioner of British Columbia's third Royal Commission on Education, with a mandate to examine all aspects of the education system in British Columbia and make recommendations for the future. The Royal Commission released its main report *A Legacy for Learners*, in August 1988. The central theme of this report, and its 83 recommendations, was that the school system in British Columbia needs a renewed focus on the learner in order to prepare young people for the challenges of the next century.

In January 1989, the government announced:

- that it had adopted a majority of the Royal Commission recommendations;
- that the recommendations would be implemented over a ten-year period from 1989/90 to 1998/1999;
- that a total of $1.4 billion in operating funds would be committed to the ten-year implementation plan; and
- that $1.5 billion in capital funds would be committed for the six-year capital implementation plan.

Policy Direction

In recognition of the significance and far-reaching effects of the Royal Commission recommendations, the Ministry of Education began a fundamental restructuring of all aspects of the educational system, including a new *School Act*, school property tax reform and adoption of a block funding system. The Ministry of Education subsequently published *Year 2000: A Framework for Learning*. It outlined major new policy directions for education in British Columbia, consistent with its new mission statement:

> The purpose of the British Columbia school system is to enable learners to develop their individual potential and to acquire the knowledge, skills and attitudes needed to contribute to a healthy society and a prosperous and sustainable economy.

Changes to the Educational System

The Year 2000 initiative includes the following changes to the educational system in British Columbia:

- organizing schooling around a four-year primary, seven-year intermediate and two-year graduation program;
- basing provincial curriculum and assessment programs on four major areas: humanities, sciences, fine arts and practical arts;
- providing for a continuous learning approach in the primary and intermediate programs, involving different pacing and instructional methods to accommodate different learning styles and capabilities; and
- ensuring that curricula address such issues as Canadian institutions, native culture and history, cultural differences and gender equity.

The Year 2000 initiative is in the third year of its implementation plan. The plan includes measures to enhance and improve the quality of the educational system and the effectiveness of the changes, and to ensure that the public is kept informed and involved throughout the process. The government in its commitment to educational reform has reviewed the Year 2000 program and has decided to give more development time to the Intermediate Program and the Graduation Program. As a result, the implementation timelines will be extended by one year. It is anticipated that at the end of the plan, the changes to British Columbia's educational system will ensure that graduates are fully prepared for the 21st century.

significant changes in program requirements. The base block included all 1989/90 budgeted school district operating expenditures (net of those funded by miscellaneous revenues and surpluses), funding for personal care attendants, all teacher pension contributions, textbooks, local capital and annual capital allowance expenditures. This base amount of $4,954 per pupil was increased by 6.17 per cent to $5,259 per pupil for 1990/91.

The allocation to school districts varies depending on the unique features of each district. School boards that exceed the block allocated must seek local taxpayer approval through a local referendum for additional spending to be funded by increased property taxes.

During 1990/91, expenditure for public school education exceeded $2.7 billion.

Provincial contributions to public school education included the following:

- contributions to school district operating budgets of $2.5 billion through block funding;
- contributions of $196 million for the provincial share of interest and sinking fund charges for capital construction projects and equipment purchases;
- grants to school districts totalling $12 million for special projects related to computer technology acquisition, and integration of computer technology into the school system; and
- Pacific Rim Initiatives funding of $5 million to provide for curriculum development, teacher training, and student and teacher exchanges.

Independent Schools

The provincial government also provided grants totalling $62 million during 1990/91 to 233 independent schools with approximately 34,000 pupils. These grants cover operating costs and costs associated with registering students schooled at home.

Universities

British Columbia has four publicly-funded universities. The University of British Columbia in Vancouver, Simon Fraser University in Burnaby, and the University of Victoria in Victoria offer a wide range of courses in undergraduate, graduate and professional programs. They are also major centres of basic and applied research. Approximately 40,000 full-time and 20,000 part-time students are enrolled at these universities. The fourth university, the University of Northern British Columbia in Prince George, is being planned. In 1990/91, the government provided $2 million in operating funds to initiate development, and a further $8 million has been provided to plan the main campus.

In 1990/91, the provincial government contributed $484 million toward the British Columbia university system to fund operating expenses and capital debt servicing. About 77 per cent of university operating expenses is funded by the provincial government, 20 per cent through tuition fees and 3 per cent through other revenue sources.

Most university research is supported by grants and contracts from government agencies, private foundations and industrial corporations. The three provincial universities attracted an estimated $108 million in external funding for research in 1989/90. The major research enterprises are TRIUMF, B.C. Research, the Pulp and Paper Research Institute of Canada, Agriculture Canada, Microtel Pacific Research and the Bamfield Marine Station.

In 1988/89, the eight-year, $150-million University Matching Program was initiated. Private-sector donations to British Columbia's three universities are matched by the provincial government and are used to fund a variety of scholarships, bursaries, endowed chairs, research equipment and capital projects. This money is in addition to the general operating and capital grants the universities receive. In the first three years of the program, $50 million in provincial funds were allocated, with the University of British Columbia receiving 59 per cent, Simon Fraser University 22 per cent and the University of Victoria 19 per cent.

Colleges and Institutes

British Columbia also has an extensive college and institute system providing academic, technical, vocational, career and adult basic education programs. The programs are administered through 15 community colleges and 3 institutes located throughout the province. During 1990/91, about 28,000 full-time and 42,000 part-time academic, career and technical students, and approximately 13,000 full-time vocational students attended these centres.

In March 1989, the *Access For All* strategy was introduced to provide third and fourth-year academic programs at certain colleges and to provide funding for an additional 15,000 spaces in university-level programs by 1994. Full degree-granting status has been implemented at Cariboo College in Kamloops, Malaspina College in Nanaimo and Okanagan College in Kelowna in partnership with the provincial universities. Funding for the *Access for All* program totalled $68 million in 1990/91.

During 1990/91, the provincial government provided $449 million in support of college and institute expenses and capital debt servicing, or approximately 75 per cent of total operating costs. The remaining requirements were met through tuition fees (12 per cent) and other revenues.

Justice Institute

The Justice Institute of British Columbia is a post-secondary training institution for people employed in fire protection, law enforcement, corrections services, emergency health and public safety. The institute offers programs to professionals and the general public on justice-related topics.

Distance Education

In 1987, British Columbia established the Open Learning Agency to coordinate distance education activities in the province. The agency is comprised of three components: the Open University, which collaborates with the province's three operating public universities to develop and deliver undergraduate and graduate courses; the Open College, which works with British Columbia's colleges and institutes to respond to needs for career, technical and vocational courses; and the Knowledge Network, which collaborates with the province's post-secondary institutions to telecast their courses and provides a variety of general interest and popular children's programs. Province-wide, over 50,000 students are currently involved in distance education.

British Columbia has also placed a high priority on making distance education expertise available to other countries through organizations such as the Commonwealth of Learning.

International Education

International education enhances the province's academic, cultural and economic links with the world and the Asia Pacific region in particular. Currently, British Columbia institutions are involved in over 100 international education contracts valued in excess of $64 million. In 1990/91, there were over 4,500 international students enrolled in provincial post-secondary institutions.

Student Assistance

Students attending post-secondary institutions are eligible for a variety of financial assistance programs depending on the student's merit and degree of need. During 1990/91, expenditure on student financial assistance was in excess of $62 million.

Student financial assistance in the form of grants and repayable loans, available from the federal and provincial governments, is administered by the Student Services Branch of the Ministry of Advanced Education, Training and Technology. Payments of up to $210 per week of study for a student without dependent children and $315 per week of study for a student with dependants are available. Upon successful completion of a program, the provincial government may repay, on behalf of an eligible student, any loans in excess of $12,000 for a first degree and $16,000 for a second or professional degree.

Other special assistance programs include forgivable loans for severely disabled students and support for persons undertaking adult basic education.

A number of scholarships are awarded for outstanding performance, such as the Premier's Excellence Awards of $5,000 for the top Grade 12 student in each college region who subsequently enrolls in a British Columbia post-secondary institution.

Social Services

The Ministry of Social Services and Housing helps British Columbians in need and assists them to regain or achieve self-sufficiency. The ministry also provides services for persons with mental handicaps and a variety of services through its child protection, income assistance and social housing programs.

Programs for Independence

Programs for Independence are mandated by the *Guaranteed Available Income for Need Act* (GAIN). These programs provide temporary assistance to eligible British Columbia residents between the ages of 19 and 64, who cannot provide the necessities of life for themselves and their dependants, and an assured minimum income for eligible disabled persons and senior citizens. In March 1991, assistance was provided to 144,526 individuals and 99,440 dependants. Total expenditure in 1990/91 was $983 million.

Family and Children's Services

The Ministry of Social Services and Housing provides services for families and children including adoption services, child protection, child care residential services and family support services. In 1990/91, expenditure totalled $161 million.

For information on government initiatives on families and children, see the accompanying topic box.

Government's Commitment to Families

Introduction

Families are one of the most important segments of society. However, in today's world, families may need guidance and assistance to meet the many challenges they face. The provincial government is committed to support and strengthen the development of families in British Columbia.

Currently there are three initiatives underway that are designed to foster the development of strong family units. All three focus on children and youth, and include the development of:

- a Child and Youth Secretariat;
- the proclamation of a Children's Policy; and
- a major review of legislation on child protection.

Child and Youth Secretariat

Ombudsman Steven Owen stated in his Report entitled *Public Services to Children, Youth and their Families in British Columbia: The Need for Integration* that:

> ". . . lasting solutions to the vexing problems of service fragmentation in the [child, youth and family services] sector will require a child-centred consensus through increased collaborative efforts among government ministries, consumers, community groups, service agencies and professions."

As a result, in November 1990, a new Child and Youth Secretariat was formed to coordinate and deliver government policies and programs. Government ministries having a major responsibility for services to children and youth have representation on the secretariat. These include the Ministries of Social Services and Housing, Health, and Solicitor General. The secretariat works to ensure cooperation in the implementation of inter-ministry policies, protocol and programs. Part of the secretariat's task is to coordinate child and youth services with the efforts of community groups. The secretariat also makes recommendations to the Cabinet Committee on Social Policy.

Children's Policy

Last June, a Children's Policy on services to children and families was announced. The Children's Policy outlines the responsibilities and expectations of families, communities and government in order to protect the rights and interests of children. It will guide the work of ministries and provide the foundation for programs and services that affect children and their families.

The philosophy of the Children's Policy is as follows:

- The government places great value on children and believes that the fundamental responsibility for their development lies with the family.
- Parents have the responsibility to provide care, protection, spiritual and moral guidance, and to nurture their children.
- The community is expected to safeguard and care about children, and respect individual differences, cultural backgrounds and beliefs.
- Both the government and the community have an obligation to support families so that children may develop to their full potential.

Review of Child Protection Legislation

A three-year comprehensive review of existing child protection legislation, including the ten-year-old *Family and Child Service Act*, has been initiated. Parents, children, professionals, agencies and others with an interest in the welfare of children will participate in this process.

Workshops and public meetings will also be a part of the review process. Following public consultation, a white paper with draft legislation will be circulated for further consultation.

The provincial government will ensure that everyone who wishes to participate in the review process will have the opportunity to be involved.

Community Support Services

In 1990/91, the Ministry of Social Services and Housing spent $233 million for community support services including residential care, self-help skills training, achievement centres, supported work placement and professional services for adults with mental handicaps, day care subsidies and special-needs day care, infant development programs, senior citizen counsellors, the at-home respite program and community projects funding.

Services for Seniors

The provincial government also provides a variety of programs for senior citizens that support and enhance their independence, well-being and health.

The Shelter Aid for Elderly Renters (SAFER) program provides direct cash assistance to citizens aged 60 and over who pay more than 30 per cent of their gross income in rent. The maximum allowable rent levels qualifying for assistance are $520 for a single person, $575 for a couple and $885 for those who share. Expenditure in 1990/91 of $16 million provided assistance to 10,900 recipients.

The Programs for Independence for Seniors Supplement provides a guaranteed minimum income to those seniors in receipt of the federal government's old age security, guaranteed income supplement and spousal allowance payments. There were 41,996 recipients as of March 1991, and expenditures in 1990/91 were $19 million.

The Bus Pass Program provides subsidized bus passes to aid and encourage the mobility of eligible low-income senior citizens and recipients of Programs for Independence disabled benefits. Total program expenditure for 1990/91 was $7 million.

Housing and Land Development

A number of programs provide mortgage assistance and housing to senior citizens, families and disabled persons.

The British Columbia Home Mortgage Assistance Program (MAP) was introduced in June 1989, to replace the British Columbia Second Mortgage Program. MAP, which is designed primarily to assist first-time home buyers, provides a first mortgage guarantee of up to $12,000 to qualified purchasers of a home. As of September 1991, approximately 21,000 guarantees were issued for a total of $252 million since the program began. MAP is administered through the mortgage lending operations of major banks, credit unions and trust companies in the province.

Other programs include the Social Housing Program, which committed 1,789 units of non-profit social housing under a federal-provincial housing agreement in 1990/91: 461 units for seniors, 828 for families, 396 for persons with disabilities and 104 special-purpose units. Ongoing provincial subsidies for these units, when completed, are estimated at $5 million per year.

The British Columbia Housing Management Commission is responsible for managing subsidized rental units and providing rent supplements for tenants of non-profit private sector housing units (see also Chapter 7). The commission also manages the acquisition, servicing and development of lands for social housing and group homes through its subsidiary, the Provincial Rental Housing Corporation.

Labour Programs and Services

The Ministry of Labour and Consumer Services provides various services, which promote labour/management cooperation throughout the province. The Ministry of Advanced Education, Training and Technology develops and administers job training and employment programs that are designed to upgrade the skills of the provincial labour force.

Employment Standards

The Employment Standards Branch of the Ministry of Labour and Consumer Services enforces legislation pursuant to the *Employment Standards Act*, which regulates conditions of employment including hours of work, payment of wages, minimum wages, annual holidays, maternity benefits and terminations.

The program is delivered through 15 field offices throughout the province. The branch also provides investigation and mediation services through the Industrial Relations Adjudication Division, and investigation and other services through the British Columbia Council of Human Rights.

During 1990/91, the branch handled 18,804 complaints and recovered almost $8 million in unpaid wages, and vacation and severance pay on behalf of employees.

Industrial Relations Council

The Industrial Relations Council (IRC) was established in July 1987, under the *Industrial Relations Act.*

The Dispute Resolution Division assists parties involved in collective bargaining to settle contract disputes, monitors all labour disputes and designates essential services. During 1990, the chairman appointed mediators in 58 disputes covering 66 employers and 5,838 employees. Mediators were successful in reaching agreements in more than 98 per cent of these disputes.

The Industrial Relations Adjudication Division deals with legal issues involving bargaining rights, unfair labour practices, strikes and picketing. During 1990, the division received 3,300 new applications and disposed of 3,288 cases.

The commissioner of the Industrial Relations Council also monitors all labour disputes. The commissioner can: appoint a fact-finder; meet with disputing parties; appoint a Public Interest Inquiry Board; direct the Disputes Resolution Division to appoint a mediator; and when the public interest is at stake, direct that a vote be taken on the employer's last offer.

New Pension Standards Legislation

In June 1990, new legislation was introduced in the form of an exposure bill that prescribes minimum standards for employment pension plans in the province, including vesting of workers' pensionable service after five years of continuous employment. The legislation is targeted to take effect January 1, 1993.

Safety and Standards

The Safety and Standards Department of the Ministry of Municipal Affairs, Recreation and Culture provides services to ensure safe living and working conditions. The services relate to the building code, fire prevention and investigation, installation and operation of boilers and pressure vessels, elevators, amusement rides, gas and electrical systems, aerial tramways, gas and oil pipelines, and railways. Standards development, safety education and safety assurance activities are undertaken in conjunction with industry.

Workers' Compensation Board

The Workers' Compensation Board compensates injured workers for loss of earnings and medical expenses, and provides rehabilitation for disabling injuries. It provides benefits for the dependants of fatally injured workers. It also protects workers on the job by promoting accident prevention, industrial hygiene, first-aid regulation and inspection, and safety education programs. The board encourages cooperation between labour and management on accident prevention and industrial safety.

On June 3, 1991, legislation came into effect creating a new Board of Governors comprised of a chairman, five worker and five employer representatives, two public interest representatives and two non-voting members. The governors are responsible for setting policies on compensation, assessment, rehabilitation, and occupational safety and health.

Program costs are paid through assessments based on employers' payrolls. In 1990, income included $553 million in assessments paid by employers and investment income of $304 million. Expenditures totalled $461 million in workers' claims and $132 million in other costs. As a result, the board has fully funded its liabilities and was in a surplus position as of December 31, 1990.

The board also administers the *Criminal Injuries Compensation Act*, which compensates victims of any one of 54 criminal offences set out in the act and those injured while assisting police officers. The Criminal Injury Program allowed 2,637 claims in 1990 at a cost of almost $12 million.

Workers' Compensation Review Board

The Workers' Compensation Review Board is an independent appeal body, which reviews decisions of the Workers' Compensation Board at the request of workers, their dependants or their employers. In 1990, 6,749 appeals were received.

Compensation Advisory Services

Workers' and employers' advisors assist workers and employers in their dealings with the Workers' Compensation Board. Workers' advisors provide advice to injured workers and their dependants on policies and benefits of the Workers' Compensation Board, as well as assisting in cases involving complex legal and medical issues or important policy questions. Employers' advisors provide independent advice, and assistance and information with respect to workers' compensation legislation, decisions, appeals, policy and related matters.

Skills Development Programs

The Skills Development Division of the Ministry of Advanced Education, Training and Technology is responsible for a variety of programs, including labour market adjustment programs, apprenticeship training programs, vocational rehabilitation services and private training institutions.

Labour market adjustment programs assist employers in hiring and training new and existing employees, and developing and implementing long-range training strategies within their organizations.

Apprenticeship training programs provide counselling and consultative support to approximately 15,000 apprentices annually. In 1990/91, approximately 2,500 apprentices received Certificates of Apprenticeship. In addition, approximately 7,100 trades people received Certificates of Qualification, and 6,500 participated in upgrading and retraining programs.

In 1989/90, the ministry established the Task Force on Employment and Training. The task force will provide recommendations on key short-term training and employment issues, and on long-term strategies that encourage adjustment, increase employability and assist structurally unemployed workers. The final report of the task force, expected to be completed by the fall of 1991, will also address ways of involving industry and labour in advising government on employment and training. The Private Post-Secondary Education Commission, established in March 1991, is responsible for overseeing the mandatory registration and voluntary accreditation of private post-secondary education institutions in British Columbia.

Vocational Rehabilitation

In 1990/91, approximately 1,900 disabled persons received employment-oriented training and other assistance through the vocational rehabilitation services of the Ministry of Advanced Education, Training and Technology.

Women's Programs

The Ministry of Women's Programs and Government Services and Minister Responsible for Families coordinates all government initiatives specifically related to women and ensures that issues of concern to women are considered at the most senior levels of government. Women's Programs has a mandate to ensure that women are full and equal partners in the social, political and economic life of British Columbia. Priority issues include child care, family violence, workplace fairness, employment and training for women, and pensions for homemakers.

Major initiatives of the ministry during 1990/91 include:

- the establishment of a Minister's Advisory Council on Services for Women to advise the minister on the implementation of the Report of the Advisory Council on Community-Based Services for Women;
- the creation of a Task Force on Child Care to recommend ways to increase the number of affordable and accessible quality child care spaces in British Columbia;

- creation of an inter-ministry Child Care Team to oversee the expansion of child care programs;
- the establishment of six regional coordinators across the province to help communities assess local needs and improve their services for women; and
- the introduction of an exposure bill proposing the creation of a British Columbia Retirement Savings Plan. The voluntary plan would be aimed primarily at low-income parents at home with their children.

Youth Advisory Council

The British Columbia Youth Advisory Council of the Ministry of Advanced Education, Training and Technology was established in 1989 to provide a direct link between young British Columbians and government. The council helps young people achieve their full potential and actively participate in the social, economic and public life of the province.

Major activities include: involvement with regional youth committees to ensure that the views of all young British Columbians are communicated to government; a $500,000 Youth Grants Program to stimulate projects which benefit youth; and special projects on issues of concern to youth.

Parks, Recreation and Sport

The Ministry of Lands and Parks administers and manages British Columbia's provincial parks system and ecological reserves. Under the *Park Act*, the ministry administers a provincial park system comprising 390 parks and recreation areas of 5.4 million hectares and offers to the public 11,450 campsites, 120 boat ramps and 66,500 metres of developed beaches.

Under the *Ecological Reserves Act*, a total of 131 ecological reserves have been established, covering more than 159,000 hectares. These reserves are permanent sanctuaries established for scientific research and educational use, and the preservation and protection of British Columbia's unique plant and animal communities.

The ministry also administers regulations governing river rafting and a program to recognize valuable recreation corridors, such as rivers and trails. A province-wide policy is being developed to guide outdoor recreation on Crown land, such as hut-to-hut skiing, snowmobiling and heli-hiking.

Currently, the ministry is conducting a review of the entire parks system through *Parks and Wilderness for the 1990s*. Members of the public have been invited to help develop a plan for parks and wilderness areas throughout British Columbia.

The Sport and Recreation Division of the Ministry of Municipal Affairs, Recreation and Culture provides financial assistance to promote physical fitness and participation in amateur sports. In 1990/91, $12 million was distributed in grants from the Physical Fitness and Amateur Sports Fund Special Account and the Lottery Fund Special Account for recreation and sport.

Cultural Services

In 1990/91, the Cultural Services Branch of the Ministry of Municipal Affairs, Recreation and Culture distributed $12 million in grants from the British Columbia Cultural Fund and the Lottery Fund Special Accounts to cultural organizations throughout the province.

Library Services

In 1990/91, the Library Services Branch of the Ministry of Municipal Affairs, Recreation and Culture provided grants totalling $7 million to municipal and regional public libraries, public library associations, reading centres and other library groups (see Chapter 4 for more information).

British Columbia Heritage Trust

The British Columbia Heritage Trust Fund was established in 1977 by the *Heritage Conservation Act*. In 1990/91, $3 million was awarded from the Heritage Trust Fund for 117 projects.

Ombudsman

The *Ombudsman Act* provides for an independent officer of the legislative assembly to investigate complaints concerning provincial government ministries and certain other government agencies. During 1990, the Office of the Ombudsman received over 7,800 complaints, of which almost half were fully investigated.

Native Affairs

The Ministry of Native Affairs develops and coordinates government policies and activities relating to native issues. In addition to acting as liaison with native groups, local communities and various levels of government, the ministry is also involved in negotiations of comprehensive land claims in British Columbia (see Chapter 5). Other programs include the First Citizen's Fund, and the Heritage, Language and Culture Initiative.

Protection of People, Property and the Environment

The provincial government plays an active role in maintaining the quality of life of British Columbians. Government activities include safeguarding human rights, coordinating law enforcement and the justice system, and designing and administering programs that protect the environment.

British Columbia Council of Human Rights

The British Columbia Council of Human Rights is responsible for administrating and enforcing the *Human Rights Act*, proclaimed in September 1984. The five-member council receives, investigates, mediates and adjudicates allegations of discrimination and informs the public on how to use the council's services and how to avoid and prevent discrimination.

The council's educational program includes a curriculum unit used in high schools, brochures on the act, speaking engagements at schools, universities and colleges, and an ongoing relationship with community organizations and legal education agencies.

Administration of Justice

The Ministry of Attorney General administers a justice system, which ensures protection of individual and public rights in an equitable, effective and efficient manner. During 1990/91, Ministry of Attorney General expenditure was $268 million.

Criminal Justice

The Criminal Justice Branch contributes to the protection of society by conducting prosecutions fairly and diligently. The branch is responsible for prosecuting offences under the *Criminal Code of Canada*, the *Young Offenders Act*, provincial statutes and certain municipal by-laws in the trial and appeal courts of British Columbia and in the Supreme Court of Canada.

Court Services

The Court Services Branch provides court facilities and services to all courts in British Columbia and informs the public on all matters relating to the courts. The branch files and processes all documents submitted to court registries and provides security and information necessary for the operation of all court hearings, including the official court verbatim record. It is also the branch's responsibility to carry out and enforce court orders, escort prisoners and serve court documents. There are 100 court locations throughout the province.

As part of the court system, the judiciary plays an integral role in administering justice. Superior courts located in the province and provincial courts are funded by the Government of British Columbia. For more information, see Chapter 5.

Legal Services

The Legal Services Branch provides legal services relating to civil matters to all government ministries, the Securities Commission and the Financial Institutions Commission. The branch advises government and other agencies on legal matters; prepares legislation, regulations and orders in council; drafts government contracts; and conducts civil and constitutional lawsuits on behalf of the government.

Justice Support Programs

The Family Maintenance Enforcement Program administered by the Ministry of Attorney General works on behalf of families seeking enforcement of court-ordered family maintenance payments.

The Victim Assistance Program provides victims of crime with information and the practical support they need to deal with the justice process and cope with the impact of the crime. The program also directs victims to services available in their communities.

The Public Trustee has statutory responsibility for the protection of the financial, personal and legal interests of persons who are mentally disordered, who are under 19 years of age and wards of the state or without legal guardian, or who die intestate. To carry out these responsibilities, the Public Trustee acts as trustee, monitors private sector trustees, reviews settlements on behalf of minors, administers estates and investigates complaints of financial exploitation.

Land Registry

The six land title offices of the Ministry of Attorney General maintain records of all transactions in real property and issue certificates of title for each parcel of land. Each office has a registrar responsible for correctly interpreting the *Land Title Act* and all applicable statutes to ensure that security of title is maintained at all times.

Legal Services Society

The Legal Services Society provides legal assistance to individuals who apply and qualify for legal aid. Legal information, education and services for natives are also provided. The society is funded by the federal and provincial governments and the Law Foundation.

Law Courts Education Program

The Law Courts Education Program develops and publishes school curriculum and information leaflets on the structure and operation of British Columbia's court system. It also organizes court visits, meetings with judges, professional development for teachers, and coordinates annual Law Day activities.

Expropriation Compensation Board

Under the *Expropriation Compensation Act*, the board determines the amount of money paid for expropriated land when a public agency, such as the provincial government, needs to acquire property that an owner does not wish to sell.

Law Reform Commission

The Law Reform Commission reviews provincial laws and recommends improvements to the legal system to better serve British Columbians. The commission works to repeal unnecessary legislation, eliminate irregularities, reduce the number of separate statutes, and simplify and modernize the law.

Law Enforcement and Public Safety

The Ministry of Solicitor General is responsible for law enforcement and issues of public safety, including police, corrections and a variety of regulatory, inspection and emergency services. During 1990/91, Ministry of Solicitor General expenditure was $407 million.

Police Services

The Police Services Branch provides services to help protect life and property, and reduce crime. In some areas of the province, services of the Royal Canadian Mounted Police (RCMP) are contracted to provide support. The branch is responsible for municipal police training at the Police Academy of the Justice Institute of British Columbia, while the British Columbia Police Commission monitors and audits the operation of 12 independent local police forces. The branch is also responsible for firearms control and for the Provincial Emergency Program.

The Coordinated Law Enforcement Unit of the branch coordinates activities of law enforcement agencies to suppress organized crime. Through these efforts, it attempts to identify and apprehend organized and major criminals through focused, long-term investigations.

Corrections

The Corrections Branch operates 9 correctional facilities for accused or convicted youths and 19 facilities for adults awaiting trial or serving sentences of less than two years. The branch is also responsible for family court counselling, administration of community service orders, and youth and adult probation services.

Motor Vehicle Branch

The Motor Vehicle Branch is responsible for regulating drivers, vehicles and motor carriers operating within the province to ensure safety on all roads and compliance with provincial and federal legislation. Over six million motor vehicle transactions are carried out by the branch annually.

In order to improve its services, the branch established the first Expressway Motor Vehicle Office in Burnaby to provide limited types of services. This office has extended opening hours for the convenience of the public.

British Columbia Gaming Commission

The British Columbia Gaming Commission, with the support of the Gaming Branch, sets policy for gaming within the province. The commission establishes terms and conditions for licences issued to charities that use bingos, ticket raffles or casino events to raise funds and acts as the licensing authority for such charitable events.

Other Regulatory and Service Industries

The Ministry of Solicitor General is also responsible for other regulatory and service agencies such as: the British Columbia Board of Parole, which decides on the conditional release of inmates; the British Columbia Coroners Service, which investigates sudden and unexpected deaths; the British Columbia Racing Commission, which regulates horse racing in the province; the Commercial Appeals Commission, which hears appeals relating to a number of provincial licensing matters; the Motor Carrier Commission, which regulates the for-hire motor carrier industry in the province; and the Order in Council Patients Review Board, which reviews the treatment of persons committed to custody who have been found unfit to stand trial by reason of insanity. The Workers' Compensation Board administers the Criminal Injury Compensation Program on behalf of the ministry.

Environment Programs

The Ministry of Environment is responsible for the protection, restoration and enhancement of British Columbia's natural ecosystems and human environments. Ministry programs are carried out through regional centres across the province. During 1990/91, ministry expenditures totalled $106 million.

The Sustainable Environment Fund Special Account (SEF) is dedicated to environmental protection and renewal of vital forest resources. Environmental renewal initiatives are administered by the Minister of Environment and forest renewal initiatives by the Minister of Forests, both under the direction of the Cabinet Committee on Sustainable Development. Revenue sources include environmental levies, fines, Lottery Fund transfers and other appropriations, and contributions. In 1990/91, $45 million was expended from SEF for environment renewal initiatives.

Environmental Protection

The Environmental Protection Division is responsible for protecting the environment from pollutants and administers a number of programs to encourage environmentally safe and efficient management of wastes. These programs establish, monitor and enforce standards for discharges and emissions from industrial, community and individual sources which enter air, land or water.

A municipal solid waste management strategy was developed and implemented in 1990/91. The strategy aims to halve the amount of garbage going to landfills through waste reduction, recovery and recycling. A strategy was developed and implemented in 1990/91 to manage the disposal of tires and lead-acid batteries.

Protecting the Environment

Government Goals and Objectives

The Government of British Columbia is committed to managing, protecting and enhancing the environment for the benefit of present and future generations. To achieve this goal, emphasis is being placed on the reduction of all forms of waste discharges to the environment and the sustainable management of our natural resources.

Partnerships

British Columbia's environmental programs are based on the premise that protecting the environment is an obligation shared by all segments of society. Government is committed to a leadership role in promoting collective action and is forging strong partnerships with industry, other governments and the public.

The provincial government's responsibility for environmental protection is shared by a number of ministries and Crown corporations:

- The Ministries of Forests and Environment work to ensure the sustainability of our forest, water, fish and wildlife resources.
- The Ministry of Environment and the British Columbia Hazardous Waste Management Corporation play pivotal roles in encouraging the reduction, recycling, reuse, recovery and, where necessary, safe disposal of wastes.
- The Ministries of Development, Trade and Tourism and Energy, Mines and Petroleum Resources are actively involved in assessing the impacts of resource development activities.
- The Ministry of Municipal Affairs, Recreation and Culture provides grants to implement local sewer systems.
- The Ministry of Solicitor General manages and enforces environmental measures including the new vehicle emission testing program.
- The Cabinet Committee on Sustainable Development ensures that government initiatives balance environmental protection with economic development.

British Columbia continues to work closely with the federal government on the development and implementation of national and international programs to address issues such as the cleanup of contaminated sites and global warming. Key partnerships have been developed with local and regional governments through programs such as the Municipal Solid Waste Management Strategy.

Growth of the Environment Youth Corps, more emphasis on environmental education in British Columbia's schools, and support for provincial and local round tables exemplify government's efforts to solicit greater involvement from the general public and native communities.

An Integrated Approach to Protecting the Environment

A range of techniques is required to protect the environment. Regulations and permits, supported by compliance and enforcement capabilities, are combined with economic and educational measures to encourage environmentally sound decisions by all sectors of society.

The used tire recycling program is just one example of the government's diversified approach to environmental protection. The tire program uses a combination of a $3 per tire levy, product development research grants, and transportation and processing incentives to divert used tires from landfills. In concert with other initiatives, this program is contributing to the goal of reducing solid waste disposal in landfills 30 per cent by 1995 and 50 per cent by the year 2000.

In August 1991, the Ministry of Environment released *Environment 2001*. The document identifies the environmental challenges facing British Columbia and outlines the province's plans to address those challenges over the decade. Key commitments in *Environment 2001* include more stringent waste discharge standards, an improved process for environmental impact assessments, a new *Water Management Act* and a consolidation of legislation covering wildlife and freshwater fisheries, emphasizing sensitive habitats and endangered species.

The British Columbia Hazardous Waste Management Corporation was established to develop a comprehensive hazardous waste management system in the province (see Chapter 7 for details).

Pesticide Control

The Pesticide Control Branch promotes integrated pest management, regulates the sale and use of pesticides, and monitors their effects on the environment. As well, this branch informs the public about risks, opportunities for alternatives, and regulatory decision making processes associated with pesticide use in British Columbia.

Wildlife Management

The Wildlife Branch regulates recreational and commercial use of wildlife, and is responsible for the protection and enhancement of habitat, public information and education.

The branch administers the Habitat Conservation Fund Special Account for the enhancement and acquisition of important fish and wildlife habitats. In 1990/91, it funded 120 projects throughout the province at a cost of over $2 million. Most of the revenue of the fund comes from a surcharge on hunting, guiding, trapping and fishing licences, and public donations.

Recreation Fisheries

The Recreation Fisheries Program facilitates healthy and abundant fresh-water fish populations through: conservation of wildlife fish stocks, and protection and enhancement of natural spawning and rearing habitats; production of hatchery fish to restock lakes and streams; and management of angler demand through regulations, licensing, and public information and education.

Water Management

The Water Management Branch manages the province's fresh water resources. Its responsibilities include water licensing, maintaining information on ground water resources, regulation of water utilities, dam safety, snow surveys, flood forecasting, floodplain development control, river protection projects, dyke inspection, resource inventory, water supply, aquatic weed control and water quality protection. In 1990/91, project funding included over $3 million for Fraser River Flood control, river protection assistance and flood plain studies.

Environmental Emergencies

The Environmental Emergency Services Branch coordinates emergency planning, and preparedness and response activities within the ministry. The branch handles environmental emergency calls and notifies regional response staff, the Provincial Emergency Program and Environment Canada. The branch prepares response plans for marine oil spills, flooding, industrial accidents, toxic chemical spills and the secondary effects of earthquakes. As well as providing training and equipment, the branch is involved with major international agreements regarding oil spill prevention and response.

Environmental Appeal Board

The Environmental Appeal Board was established in 1981 under the provisions of the *Environment Management Act*. It hears appeals from the decisions under five statutes administered by the Ministry of Environment: the *Pesticide Control Act*; the *Waste Management Act*; the *Water Act*; the *Wildlife Act*; and the *Commercial River*

Rafting Safety Act. The board, appointed by Lieutenant-Governor in Council, consists of 21 part-time members, all of whom are from outside the public service, and who, for the most part, reside outside of Victoria. The members are appointed for a two-year term and represent diverse business and technical experience.

Economic Development Programs

The provincial government administers numerous services and programs to support economic growth and diversification in all regions of British Columbia. One of the government's major contributions to the provincial economy is an extensive transportation and communications network which supports a dynamic economy. Chapter 4 outlines British Columbia's economic infrastructure.

The government also encourages efficient and environmentally-sensitive management of the province's abundant natural resources. These programs are complemented by a wide array of information and advisory services, designed to encourage regional small business and industrial development, and increase British Columbia's competitiveness in domestic and overseas markets.

Business, Trade and Industrial Development Programs

The Ministry of Development, Trade and Tourism is responsible for promoting industrial development, encouraging investment and trade, and attracting visitors to British Columbia through a variety of programs as outlined in Table 6.1.

Regional Development

The Province of British Columbia has been divided into eight development regions. Each region is supported by one Regional Development Liaison Officer who resides in the region, and by a Regional Development Officer in the Victoria headquarters. Development region staff are key facilitators between regional groups and senior government officials with a focus on community participation. Over 767 volunteers serve 50 regional committees and task forces, comprised of representatives of the provincial and local government, native bands, and business and industry leaders. These groups address regional issues such as economic and business development, health care services, transportation requirements, tourism, agricultural land use, wood-waste-to-energy conversion, native concerns, and technology.

Development region staff also provide front-line access to the Ministry of Development, Trade and Tourism programs, and link communities, residents and government ministries. Chapter 3 profiles the development regions. For a list of regional development liaison officers and their telephone numbers, see Appendix 10.

Major Project Review Process

The Major Project Review Process (MPRP) was established in February 1990 to ensure that environmental and socioeconomic impacts of major industrial projects and ports are identified, and that satisfactory impact management plans are agreed in advance of project approval in principle. The MPRP applies to the construction of major pulp and paper mill expansions, mineral smelting and refining plants, chemical plants, and major ports. Other projects may be designated for review by the Cabinet Committee on Sustainable Development.

Table 6.1 Financial Incentives for Economic Development, Trade and Diversification

The provincial government funds and administers a wide range of economic and business development programs that provide financial incentives directed toward strengthening and diversifying all regions of the provincial economy.

Program or Service	Purpose	Form of Assistance	Program Administrator
Research/Development:			
Technology Assistance Program	To assist companies engaged in manufacturing, processing and service industries to increase productivity, develop new products and improve profitability. Projects are science/engineering-oriented and involve technology research.	Up to 50% of the costs incurred to a maximum level of support of $20,000.	Ministry of Advanced Education, Training and Technology
Technology B.C.	To stimulate the development of science and technology applicable to economic development.	Conditional grants and general assistance for applied research and development.	Ministry of Advanced Education, Training and Technology
Discovery Enterprises Inc.	To provide early-stage financial assistance to medium to high-risk advanced technology endeavours with a major British Columbia component.	Provides venture capital and takes an equity position in advanced technology companies.	Ministry of Advanced Education, Training and Technology
Solid Waste Enterprise Initiatives Program	To encourage development of province based recycling/waste processing to reprocess municipal solid waste into new marketable products.	Loans to 50% of eligible capital costs for a maximum of 5 years. Loan guarantees to 75% of the loan for a maximum 5-year term.	Ministry of Development, Trade and Tourism
Training/Management Development:			
Assistance to Associations Program	To aid business, trade and industry associations in providing management development opportunities to members.	50% of costs up to maximum of $2,500 per year.	Ministry of Development, Trade and Tourism
Training Investment Program	To assist employers to develop human resources through training programs.	Up to 60% of direct training costs to a maximum of $50,000. Up to $3,000 for worksite modification to facilitate the employment and training of disabled persons or women entering non-traditional occupations.	Ministry of Advanced Education, Training and Technology
Training Program for Disabled Persons	To assist employers in providing training to registered clients of the Vocational Rehabilitation Services of the ministry.	Wage subsidy of 50% of the hourly wage paid to a maximum $3,000 per worksite to facilitate employment of disabled persons.	Ministry of Advanced Education, Training and Technology
Business Assistance:			
Equity Capital Program	To encourage private sector equity investment in economic sectors (e.g., manufacturing and processing, research and development, tourist resorts, aquaculture) which lead to increased exports, import replacement or otherwise diversify the provincial economy.	Provincial income tax credits equal to 30% of investment in a venture capital corporation to a maximum of $60,000.	Ministry of Development, Trade and Tourism
Business Expansion Program	To encourage the establishment, modernization and expansion of firms engaged in manufacturing, value-added processing and new product introduction.	Loans of up to 50% of eligible project costs (normally would not exceed 30% within Greater Vancouver) for a term not normally exceeding 5 years. The eligible costs of the project must total not less than $2 million. Loan guarantees for up to 85% of eligible project costs (75% within Greater Vancouver). The minimum size of loan guarantee is $100,000.	Ministry of Development, Trade and Tourism

Table 6.1 Financial Incentives for Economic Development, Trade and Diversification — *Continued*

Program or Service	Purpose	Form of Assistance	Program Administrator
Business Start Up Program	To encourage and support new small business formation throughout British Columbia.	Loan guarantees of 100% of the loan amount to a maximum of $15,000 based on the applicant making a cash equity contribution equal to at least 50% of the loan (100% in the City of Vancouver) at the time of loan approval.	Ministry of Development, Trade and Tourism
Small Business Assistance Program	To encourage the establishment, expansion and modernization of small and medium-sized businesses in the province.	Low-interest loans of up to 50% of eligible capital costs to a maximum of $500,000 for a term of up to 5 years. Outside Greater Vancouver the first $100,000 of the loan is interest free. Loan guarantees for working capital of up to 85% of eligible project costs (75% within Greater Vancouver) to a maximum of $100,000 for a term of up to 5 years.	Ministry of Development, Trade and Tourism
Employee Investment Program	To facilitate direct investment by employees in their employer's company and to establish a pool of employee-controlled capital for indirect investment in small to medium-sized companies.	20% federal income tax credit to a maximum of $700 per year for Employee Venture Capital Corporation (EVCC) investors and 20% provincial income tax credit to a maximum of $2,000 per year for employee investors. Half the cost associated with setting up an Employee Share Ownership Plan or an EVCC to a maximum of $10,000 each for employee groups and companies.	Ministry of Development, Trade and Tourism
Export Assistance:			
Export Loan Guarantee	To assist exporters to obtain pre-shipment financing for export-oriented contracts.	Loan guarantees of up to 85% to a maximum of $2.5 million per company for up to 3 years.	British Columbia Trade Development Corporation
New Market Development Program	To assist businesses with market development trips outside B.C., incoming visits to B.C., and participation in trade shows outside B.C.	Financial assistance to a maximum initial amount of $10,000 is made available on a loan basis, interest free for one year, then totally repayable.	British Columbia Trade Development Corporation

Since February 1990, five projects have entered the MPRP. Celgar Pulp Company received approval, following a review by a joint federal-provincial independent panel, for the $700-million modernization and expansion of its pulp mill in Castlegar. This review included full public hearings. Newstech Recycling Inc. received approval in principle to construct an $83-million newsprint de-inking facility in Coquitlam. Arbokem Inc. received approval in principle to construct an $8-million flax pulp mill in Surrey. Orenda Forest Products Ltd.'s proposal to construct a $365-million pulp and paper mill in northwestern British Columbia and the Kitimat-Terrace Port Society's proposal to construct a $63-million multi-purpose marine terminal in Kitimat are currently under review.

Job Protection Commission

The British Columbia Job Protection Commission was announced on February 14, 1991 and commenced operations on March 4, 1991.

The commission helps bring affected parties together to seek solutions to prevent business closures and job losses. The emphasis is on businesses which are experiencing short-term difficulties, but are viable in the long term, and where plants are mainstays of communities.

As of May 30, 1991, a total of 191 general enquiries and 39 counselling cases, meditations and economic plans have been handled. As well, four companies are receiving financial assistance through the Ministry of Development, Trade and Tourism as a part of their economic plans to help preserve 420 jobs.

Home-Based Business

The Home-Based Business initiative provides assistance in the form of workshops, manuals and videos to entrepreneurs involved in starting or operating a home-based business. The program provided over 100 seminars and workshops, attended by over 2,000 individuals, in communities throughout the province in 1990/91.

As well, British Columbia Creative Arts Shows are held twice a year, one in spring and fall, for home-based businesses that have not yet participated in the show. At each show this year, 120 home-based businesses participated, generating over $1 million in direct sales.

Table 6.2 Business and Industrial Development Projects — Projects Approved from June 1990 to March 1991

Program	Funds Approved	Number of Projects Approved	Estimated Number of Jobs Created
	($ millions)		
Small Business Assistance	14.0	110	3,154
Business Start Up	5.0	398	1,627
Business Expansion	12.0	7	893
Solid Waste Enterprise Initiatives	0.3	1	25
	31.3	516	5,699

Equity Capital Program

The Equity Capital Program (formerly the Small Business Venture Capital Program) stimulates investment in small businesses in key growth industries. Investors in venture capital corporations receive tax credits equal to 30 per cent of their investment to a maximum of $60,000 annually.

At June 30, 1991, 154 venture capital corporations were approved and had raised $70 million in new equity capital under the program. These corporations have in turn invested in 99 small businesses — creating or preserving an estimated 1,500 jobs.

Employee Investment Program

The *Employee Investment Act* encourages investment in British Columbia businesses. Employee share ownership plans assist employees to invest directly in the company for which they work. Employee venture capital corporations allow indirect investment in eligible businesses by pooling investment funds of employee groups and labour organizations. By June 30, 1991, eight companies, representing 1,500 employees, had registered plans and were authorized to raise $14 million.

Community Organizations for Economic Development

The Community Organizations for Economic Development Program (COED) assists in meeting operating and overhead costs of 40 full-time, 1 part-time, and 17 volunteer local economic development committees representing 95 communities. COED also funds projects in partnership with municipalities, the private sector, regional districts, and federal and other provincial agencies. The projects can include promotion and marketing of local business opportunities, analysis of opportunities, trade missions and trade show participation.

Business Information Centres

Business Information Centres (BICs) are set up to supply business persons with local access to an extensive network of British Columbia government business information, services and programs. There is a network of 83 BICs located in local Chambers of Commerce throughout the province.

BICs offer a wide range of government publications and many have a Business Resource Centre which contains various publications, business education materials and training videos to assist business planning. Many publications, business information, and the main BIC in Vancouver are also accessible on the B.C. Business Network through local BICs.

The Investment Matching Service (VentureNet)

The Investment Matching program is one of many government programs and business opportunities available on the B.C. Business Network. Information about investment opportunities is listed on a computerized database called VentureNet.

VentureNet presently lists over 345 capital investment, joint venture, and licensing/royalty agreement opportunities. As a direct result of being listed on the VentureNet database, seven companies have been successful in financing their ventures, and nine entrepreneurs are currently negotiating with potential investors or pursuing promising leads.

Businesswomen's Advocate

On April 1, 1991, a Businesswomen's Advocate was appointed by the Ministry of Development, Trade and Tourism to increase women's participation in the establishment of new businesses and improve the business' chances for survival and growth.

The Businesswomen's Advocate will formulate and implement an action plan designed to assist entrepreneurial women in fulfilling business aspirations. The advocate will review programs and activities in government and the private sector providing business services and financing to identify improvements to meet the particular needs of women.

Small Business Advocacy and Entrepreneurship

In response to the 1990 Task Force on Small Business Programs and Services, a Small Business Advocate has been appointed by the Ministry of Development, Trade and Tourism to represent the specific interests of the small business sector within the provincial government and to encourage entrepreneurship throughout the province.

During 1990/91, entrepreneurship was encouraged as an alternative to traditional forms of employment. Canadian Foundation for Education training packages were distributed to about 500 public and private school teachers. Assistance was also given to Junior Achievement's "Project Business" program in secondary school classrooms across British Columbia.

Science and Technology

The Science and Technology Division of the Ministry of Advanced Education, Training and Technology provides leadership, coordination and funding to enhance the scientific and technological capability of the province. The division provides programs and direction in research and development, public awareness of science and technology, human resource development, and the building of a physical and institutional infrastructure. In 1990/91, the division provided over $28 million for the enhancement of science and technology in these four areas.

In April 1990, the Science and Technology Fund was initiated to provide significant long-term benefits for the province and to further establish British Columbia as a national leader in science and technology. Through the fund, the province is committed to spend $420 million on science and technology over five years, including $300 million in new funds. The fund consolidates the ministry's science and technology programs under one umbrella and provides funding for new provincial science and technology activities.

Purchasing Commission

The Purchasing Commission delivers a wide range of services to the provincial government through three business groupings:

- Travel Management Services, which provide government air services and vehicle fleet management;
- Purchasing and Supplier Development Services, the central procurement agency which uses its $500 million annual purchasing power and an aggressive supplier development program to create regional economic development opportunities; and
- Product Sales and Services, which includes printing and publishing, product distribution, postal services, and warehousing and asset investment recovery.

Guided by the Public Sector Purchasing Policy, the Purchasing Commission ensures that government assets are handled professionally, provide overall value and cause minimal environmental impact.

Forest Management

British Columbia's forest lands support more than eight billion cubic metres of mature timber. More than 97 per cent is coniferous (softwood) and British Columbia has approximately one-half of Canada's softwood forests. The major coastal species is hemlock and the major interior species are spruce and lodgepole pine.

The provincial government owns more than 90 per cent of the province's forest land. For management purposes, the forest resource is divided into management units known as timber supply areas and tree farm licences. Timber harvesting in timber supply areas is delegated to private operators under a variety of licensing agreements, while harvesting in tree farm licences is primarily the responsibility of the tree farm licence holder. Forest management responsibilities in timber supply areas are shared between the Ministry of Forests and private operators, while in tree farm licences, forest management is the responsibility of private operators.

The programs of the Ministry of Forests are designed to manage and protect the province's forest, range and forest-based recreation resources for the benefit of all British Columbians. Provincial forest policy is based on the principles of resource stewardship (assuring continuity of the value and productivity of the forest land base) and integrated resource management (addressing the wide variety of potential uses of all forest and range resources).

In June 1989, the Minister of Forests established a permanent Forest Resources Commission to make recommendations on forest management in British Columbia. The commission held numerous meetings throughout the province to determine current practices. In May 1991, the Minister of Forests released the commission's report, *The Future of Our Forests*, which contained a number of recommendations on land use, the organization of government, the forest tenure system and resource management. The government is currently studying these recommendations and is preparing public discussion papers.

Small Business Forest Enterprise Program

The Ministry of Forest's Small Business Forest Enterprise Program (SBFEP) is intended to secure a fair return to the province for timber allocated to the program and to create a more competitive and diversified industry by encouraging an expanded role for small businesses in the province's forest sector.

All revenue collected from timber sales under the SBFEP goes into the Small Business Forest Enterprise Special Account. The Ministry of Forests, which manages the SBFEP, draws money from the account to construct access roads and bridges to allow future sales and to undertake silviculture and other forest management activities in small business sales areas.

Revenue in excess of funds required for current expenditure and future silviculture obligations is returned on an annual basis to the general revenue of the government. In 1990/91, expenditures by SBFEP were $68 million and revenues were $112 million.

Harvesting

The Harvesting Program administers timber harvests on Crown and regulated forest land under a variety of forest tenures. The program is responsible for valuation, scaling, and billing of Crown timber. The program also maintains and manages the forest service's road network and encourages industry to make the most efficient use of the timber available for harvesting, so that world market demands and emerging market opportunities are realized.

Reforestation and Silviculture

The Silviculture Program sets and monitors standards of reforestation on Crown and regulated private forest lands, reforests certain types of denuded Crown forest land with commercially-valuable trees, improves the value and productivity of the provincial forest resource, and provides tree seed and seedlings. During 1990/91, $175 million was spent on silviculture. An estimated 250 million trees were planted on 208,835 hectares of forest land, an increase of six and seven per cent, respectively.

In 1990/91, the Forest Renewal Initiatives Program (FRIP) was established to maintain the forest renewal activities previously funded under the federal-provincial Forest Resource Development Subsidiary Agreement (FRDA). Under FRIP, $53 million was invested in reforestation of the backlog of not-satisfactorily-restocked (NSR) forest land, forestry research and incremental silviculture. In addition, $2 million was provided under the cost-shared component of FRDA in its sixth "payout year". This funding was directed primarily to the reforestation of the backlog of NSR lands. FRIP was funded from the Sustainable Environment Fund Special Account and ended in 1991.

During 1990/91, Canada and British Columbia agreed to a four-year, $200-million 50/50 cost-shared agreement. The new agreement, FRDA II, was signed on April 30, 1991. FRDA II will maintain the cooperative relationship established between the provincial and federal governments in the original agreement. The new agreement will focus only on incremental silviculture and forestry research.

FRDA II is part of a new Forest Renewal Plan established in 1991. Reforestation of NSR forest land will now be funded under this plan.

Table 6.3 Silviculture Funding in British Columbia

	Ministry Operations Vote/SEF	Section 88[1]	Small Business Enterprise Account	Forest Resource Development Agreement[2]	Forest Stand Management Fund	South Moresby Park Implementation	Total	Change
				($ millions)				(per cent)
1986/87	56.2	65.7	7.0	38.8	15.4[3]	—	183.1	34.2
1987/88	52.6	82.9	9.1	66.1	18.8	—	229.5	25.3
1988/89	134.1	—	2.8	65.5	2.0	0.7	205.1[4]	(10.6)
1989/90	134.7	—	10.3	65.6	4.5	2.2	217.3	5.9
1990/91[5]	185.0	—	17.8	1.7	—	3.2	207.7	(4.4)

[1] Stumpage offsets under section 88 of the *Forest Act* are credits against stumpage levies payable to the government by forest companies. Companies can earn credits by undertaking specific silviculture or engineering activities. Effective April 1, 1988, no further claims were permitted under this section.

[2] Includes federal funding under the agreement.

[3] Includes funding of $3 million from the Ministry of Advanced Education, Training and Technology for the Forest JobTrac Program.

[4] As of October 1, 1987, financial responsibility for restocking areas harvested under major licences was shifted from the ministry to the private sector.

[5] During 1990/91, the Sustainable Environment Fund (SEF) was established to provide direct silviculture programs previously funded through the Ministry Operations Vote.

Forest Protection and Fire Suppression

The Forest Protection Program reduces damage to forest and range resources by wildlife, insects and diseases. Protection of life and property is especially important in wildlife/urban interface areas. Preservation of other diverse environmental values is also provided through the program. Expenditure in 1990/91 was approximately $18 million.

The Fire Suppression Program provides fire fighting services for the control of wildfires. The program is linked closely to and supported by the Forest Protection Program, but is managed and funded separately. In 1990/91, 3,255 fires burned 75,783 hectares of land. Fire suppression expenditure in 1990/91 was $86 million compared to $66 million in 1989/90.

Mineral Resource Management Programs

The Ministry of Energy, Mines and Petroleum Resources regulates the energy and mineral industries, and ensures the orderly development of these resources. The ministry's responsibilities include: mine worker safety; mine reclamation practices; administration of laws relating to mineral, oil and gas tenures; and economic, geological, statistical and financial studies.

Mineral Development Agreement

The Canada-British Columbia Mineral Development Agreement (MDA) funded a five-year, $10-million program to coordinate federal and provincial initiatives to strengthen and diversify the province's minerals sector. The projects completed under this agreement include geological studies, technology development, economic development studies, infrastructure planning assistance, and public information campaigns. The agreement expired on March 31, 1990. As of September 1991, negotiations were under way to renew this agreement for a four-year period starting in the 1991/92 fiscal year.

Energy Policy

During 1990/91, energy policy initiatives continued to focus on conservation and private-sector participation in the energy sector. In May 1990, the ministry released a policy paper outlining the province's new natural gas removal policy, which was implemented on November 1, 1990. The transfer of the British Columbia Petroleum Corporation's marketing functions to a producer-owned company, CanWest Gas Supply Inc., was completed in August 1990. These were essential components in the government's deregulation of natural gas markets. (For more information, see Chapter 7.)

In November 1990, the Ministry of Energy, Mines and Petroleum Resources released its new energy policy for the 1990s. The policy outlines principles to guide energy development and consumption in the province for the next decade and has two main goals:

- to provide adequate supplies of fuel and power at competitive prices; and
- to ensure that energy is produced and used in an efficient, environmentally-sound manner.

From these two goals, the government has identified four interrelated themes for energy policy — efficient energy, clean energy, secure energy and energy for the economy.

Negotiations and studies are continuing between B.C. Hydro and the United States concerning technical issues related to the orderly return to British Columbia of the Columbia River downstream benefits (DSBs) beginning in 1998. The DSBs may delay the need to build new major generation capacity in British Columbia by two to three years. The government is considering various options for disposition and use of the DSBs within British Columbia.

In 1990, the *Energy Efficiency Act* came into effect. This act and its regulations set minimum energy performance standards for appliances, lighting, motors and other energy using equipment. Beginning May 1, 1991, a wide range of household appliances, from refrigerators to furnaces to hot water tanks, will have to meet minimum performance standards under the act before they can be sold in British Columbia. The Ministry of Energy, Mines and Petroleum Resources and B.C. Hydro have proposed that minimum energy standards be incorporated into the 1992 British Columbia Building Code.

In January 1991, B.C. Hydro applied to the British Columbia Utilities Commission to restructure its rates. Under B.C. Hydro's existing rate structure, the average price per kilowatt-hour (kwh) of electricity consumption for residential and commercial customers decreases as usage increases. B.C. Hydro proposes to gradually realign the rate structure, so that over time, the price per kwh of electricity consumption will increase as consumption exceeds a basic level. This type of rate structure should provide pricing signals, which encourage conservation and more efficient use of electricity. B.C. Hydro also proposes an optional two-tiered pricing scheme for industrial customers. It would benefit industrial customers who invest in conservation and secure alternative sources of energy. A public hearing into the application is expected before the end of 1991.

The British Columbia Power Exchange Corporation (POWEREX),[1] B.C. Hydro's export subsidiary, is working towards the development of a Power Exchange Operation (PEO). The PEO is a short-term marketing operation, which will use interconnected utility electric systems and reservoirs to buy, sell, transmit, store and provide other electricity services. Participation in the PEO will be open to producers and consumers in Alberta and the United States. The PEO is expected to begin operating in 1991, and it will enable market participants to take advantage of competitive opportunities, resulting in more efficient use of existing facilities.

In January 1991, independent power producers (IPPs) attempting to serve the long-term export market were given the option to negotiate directly with potential customers in the United States, in addition to going through POWEREX. However, IPPs will have to arrange power transmission services on both sides of the border through POWEREX.

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[1] The company's name was changed to the British Columbia Power Exchange Corporation from the British Columbia Power Export Corporation in January 1991, in recognition of the many services it provides.

Agriculture, Fish and Food Programs

The Ministry of Agriculture, Fisheries and Food administers programs that are designed to assist producers and processors of agricultural and fish products. The programs emphasize farm income and price stability, productivity improvement and resource conservation.

Income and Price Stabilization

The Farm Income Insurance Program is a voluntary program that provides insurance to reduce farm income losses caused by adverse market developments. It is jointly funded by producers and government. In 1990/91, the province contributed $18 million to the program. Claims paid for the same period totalled $22 million, with most of the payments made to tree fruit growers and beef producers.

The Crop Insurance Program stabilizes farm income by minimizing the effects of crop losses due to uncontrollable natural hazards. In the 1990 crop year, 2,200 farmers obtained coverage totalling over $84 million and paid premiums totalling $10 million. Total indemnities paid out amounted to $15 million.

National Tripartite Price Stabilization programs are established by federal-provincial agreements and are designed to reduce income losses to producers due to market price risks. In 1990/91, $4 million was paid in premiums by British Columbia apple, beef, hog, lamb, honey and onion producers with matching contributions by the provincial and federal governments.

Agricultural Finance

Programs under the *Agricultural Credit Act* include provincial farm loan guarantees and low-interest loans to a maximum of $75,000. This financing is used for making permanent improvements to the land base to increase productivity and intensify production. Since 1974, the government has issued 471 guarantees totalling $53 million.

The Feeder Association Loan Guarantee Program was launched in September 1990, to encourage better feeding of cattle and sheep in the province. Provincial guarantees on loans up to $2 million are available to feeder cooperative associations to acquire livestock for feeding. As at March 31, 1991, two cooperatives had formed with total loans guaranteed at $3 million, to purchase 5,000 head of cattle.

Agriculture and Food Development

Under the $40-million, five-year Agriculture and Food Regional Development Sub-Agreement with the federal government, funds were allocated for productivity enhancement, resource development and commodity development. Commitments under the agreement totalled $40 million to March 31, 1991. Projects under this agreement must be completed by October 1991.

Income assistance programs for the grains and oilseeds, and farmed furs sectors were undertaken under the federal Special Income Assistance Program with provincial cost-sharing.

In March 1989, the provincial and federal governments signed the Grape and Wine Sector Adjustment Initiative. The initiative targets $28 million to help the province's wine industry adjust to the Canada-United States Trade Agreement and multilateral trade rulings. The agreement calls for $20 million to compensate growers for vine removal, $7 million to assist wineries in future purchases of grapes from growers and $1 million for the promotion of British Columbia wines. Expenditure under the program was $25 million to March 31, 1991.

Aquaculture Financing Programs

In 1990/91, the provincial government administered four financial assistance programs, which were available to the aquaculture industry: the Agricultural Credit Act Guaranteed Loan Program, the Agricultural Land Development Assistance (ALDA) Program, the Small Business Incentive Program (Aquaculture Incentive Program), and the Small Business Venture Capital Program. The Small Business Incentive Program ended in 1990. Since 1985, the Small Business Incentive Program and Small Business Venture Capital Program have approved disbursements of $5 million (68 projects) and $22 million (14 projects), respectively. The Agricultural Credit Act Guaranteed Loan Program approved two guarantees on loans to a maximum of $600,000. No applications for aquaculture funding under the ALDA program were received in 1990.

Aquaculture and Commercial Fisheries Management Programs

The provincial government's fisheries management programs conserve and manage wild oyster stocks, marine plants and associated habitats, and facilitate development of fish farming. These programs involve: maintaining population and habitat inventories; managing, licensing and regulating fresh water commercial fisheries and aquaculture enterprises conducting biophysical inventories; licensing and regulating processors, fish buyers and fish vendors; and representing the province in international fisheries negotiations. Specific aquaculture programs include broodstock development, knowledge development and technology transfer.

Tourism Programs

The government is developing tourism in the province by promoting British Columbia as a year-round travel destination and by assisting the tourism industry to become more competitive and to market itself more effectively. A special effort has been made in recent years to attract tourists to different parts of the province.

Promotion of British Columbia as a desirable tourist destination involves media advertising, brochures and other publications, familiarization tours and trade shows. The Partners in Tourism Program, run by the Ministry of Development, Trade and Tourism, provides funds for local, regional or provincial marketing initiatives.

The ministry is also responsible for such programs as the travel information network, training in the basics of customer service, and production of an accommodation guide.

International Trade and Investment Programs

The International Division of the Ministry of Development, Trade and Tourism focuses on expanding British Columbia's economy by encouraging the export of goods and services, attracting investment to the province, and developing policies for the government on trade-related issues. International export marketing programs are administered by the British Columbia Trade Development Corporation (see Chapter 7).

The division operates 10 out-of-province trade offices in Ottawa, the United States, Europe and Asia Pacific. It also has responsibilities for the International Financial Centre in Vancouver, the Asia Pacific Foundation, the International Maritime Centre in Vancouver and the British Columbia Commercial Arbitration Centre.

Trade Policy

Policy development programs include assessing the implications for British Columbia of the proposed Canada/Mexico/United States free trade agreement, coordinating the province's involvement in negotiating accelerated tariff reductions in the Canada-United States Trade Agreement, and developing negotiating objectives for the province in the GATT Multilateral Trade Negotiations.

The division has also led the development of provincial positions on trade liberalization initiatives, compiled extensive trade and economic intelligence on British Columbia's key trade and investment partners, and advised British Columbia companies on how to prepare for the European Community's 1992 single market initiative.

Immigration Programs

The Ministry of Provincial Secretary and Ministry Responsible for Multiculturalism and Immigration develops and coordinates provincial immigration policies and encourages investment through business immigration.

Immigration Policy

The Immigration Policy Branch of the ministry has participated in consultations regarding national immigration levels and has been involved in ongoing negotiations of a proposed federal-provincial immigration agreement.

In consultation with the Ministry of Advanced Education, Training and Technology, the branch developed a Provincial Designated Occupations List to be used in the selection of independent, skilled immigrants destined for British Columbia.

In the area of immigrant settlement, the branch commissioned a major report on how English as a second language was taught to adults in British Columbia. Senior officials also carried out consultation with immigrant-serving organizations throughout the province to discuss settlement services and priorities.

Business Immigration

The Business Immigration Branch of the ministry is responsible for increasing the flow of business immigrants and their investment capital to British Columbia.

In the 1990 calendar year, a disproportionately large share of Canada's business immigrants chose British Columbia as their destination. About 520 (40 per cent) of the investors and 809 (32 per cent) of the total entrepreneurs given Canadian visas came to British Columbia to live. These business immigrants declared an aggregate net worth of over $2 billion.

It is estimated that at least 3,000 new jobs were created or sustained for British Columbians through ventures of business immigrants in 1990. More information on immigration to British Columbia appears in the topic box in Chapter 3.

Financial and Commercial Regulation and Consumer Services

The Ministry of Finance and Corporate Relations is responsible for regulating financial and commercial activities under provincial jurisdiction. The Ministry of Labour and Consumer Services regulates liquor sales and consumption in British Columbia, and coordinates provincial government services to consumers.

Corporations and Financial Institutions

The Ministry of Finance and Corporate Relations is responsible for all aspects of corporate and financial institutions policy and the implementation of policy decisions.

The Policy and Legislation branch is responsible for developing government policy proposals and for providing policy advice on legislation and issues regarding corporate law, personal property security, financial institutions, and marketing of financial services and products.

The Corporate and Personal Property Registries branch administers corporation, partnership, society and cooperative association matters, registers and searches security interests against personal property, and maintains manufactured homes records in the province. The first computerized remote *Personal Property Security Act* registration process in Canada was implemented using the BC OnLine network to increase efficiency and effectiveness.

Financial Institutions Commission

The Financial Institutions Commission is responsible for the development and maintenance of a fair and effective regulatory environment that enhances efficiency, stability and growth in the financial services sector of the province. It reports to the Minister of Finance and Corporate Relations and administers the *Financial Institutions Act* and the *Credit Union Incorporation Act*, monitors financial institutions and manages the Credit Union Deposit Insurance Fund.

The Superintendent of Financial Institutions has also been appointed the Superintendent of Real Estate and the Registrar for Mortgage Brokers and is responsible for administering the *Real Estate Act*, the *Mortgage Brokers Act* and the *Condominium Act*.

During 1990/91, the commission was responsible for regulating 114 credit unions, 342 insurance companies, 56 trust companies, 49 international financial businesses, 12 captive insurance companies, 13,716 insurance agents, adjusters and salespersons, 1,130 real estate agents and 16,547 real estate salespersons.

British Columbia Securities Commission

The British Columbia Securities Commission is responsible for the regulation of the province's securities industry, including registration of persons trading in or advising on securities; administration of prospectus filing and continuous disclosure requirements; and investigation and enforcement of securities legislation and policy.

The commission, consisting of the chairman and commissioners, administers the *Securities Act* and the *Commodity Contract Act*, acts as a quasi-judicial tribunal in hearing matters arising under the legislation, establishes policies governing the interpretation and administration of the legislation, and advises the Minister of Finance and Corporate Relations on securities legislation and related matters.

The Superintendent of Brokers heads commission staff and is responsible for the day-to-day administration of the above legislation and policies. The superintendent advises the commission on policy and administrative issues and brings cases before the commission in formal hearings.

In 1990/91, the commission accepted 749 prospectuses and 122 statements of material fact. Also during the year, 34 individuals had their trading rights suspended and 21 others were prohibited from acting as directors and officers of public companies for violations of the *Securities Act*. The commission opened 871 new investigations and complaint files and closed 626 files.

Liquor Control and Licensing

The Liquor Control and Licensing Branch of the Ministry of Labour and Consumer Services issues and transfers licences for the sale of liquor; licenses breweries, distilleries, wineries and their agents; monitors and controls liquor advertising; inspects licensed premises to ensure they comply with the law; and takes appropriate disciplinary actions against contraventions of the *Liquor Control and Licensing Act*, other regulations and branch policy.

In 1990/91, a new class of licence was introduced. The "I" Class licence is designed to allow licensed hotels that are not economically viable or have rooms not being used for accommodation to redevelop their premises and maintain a liquor licence.

For information and statistics pertaining to the Liquor Distribution Branch see Chapter 7.

Consumer Services

The Consumer Services Branch of the Ministry of Labour and Consumer Services promotes fairness and understanding in the marketplace through the development, administration and enforcement of consumer legislation.

The Investigation Services Branch investigates alleged violations of consumer protection laws and prosecutes where necessary. In 1990, 32,589 complaints were received, 298 warnings issued and 44 criminal charges laid.

The Residential Tenancy Branch assists landlords and tenants in settling disputes, informs landlords and tenants of their rights and responsibilities, and investigates alleged contraventions of the *Residential Tenancy Act*. During 1989, amendments to the act gave government arbitrators the power to settle disputes between landlords and tenants over monetary issues, such as security deposits. Proclamation of the new *Small Claims Act* in February 1991 resulted in an increase to $10,000 in the limit on claims that may be arbitrated. On September 1, 1990, amendments to the *Residential Tenancy Act* were proclaimed prohibiting discrimination against families with children.

The Debtor Assistance Branch offers counselling services to consumers with debt problems and assists borrowers and lenders with debt repayment problems. In 1990, the branch counselled 5,378 clients, arranged 748 repayment plans for debtors facing financial hardship and helped return almost $4 million to creditors. Also, the Registrar of Reporting Agencies administers the *Credit Report Act*, which regulates the activities of British Columbia's credit industry.

In addition, the Ministry of Labour and Consumer Services licenses and regulates travel agents, motor dealers, cemetery operators and funeral directors offering prepaid services.

The Service Quality B.C. Initiative

Introduction

Government provides a wide range of services to people in British Columbia. Some of these serve specific individual needs. For example, the Vital Statistics Division of the Ministry of Health provides over 25,000 marriage certificates annually. Other services are provided for the province as a whole. For example, the Ministry of Parks takes care of provincial parks for the enjoyment of over 20 million visitors a year. Many of these visitors are from outside the province and bring tourist dollars to British Columbia.

To ensure that the best possible service is offered, the provincial government launched a new initiative, Service Quality B.C., in September 1990. Service Quality B.C. is intended to improve the quality of the products and services that government provides to the public. To achieve this goal, a Service Quality B.C. Secretariat provides guidance to provincial ministries and government agencies. This secretariat helps to determine customer needs and expectations. Once customers and their needs are identified, action is taken to best serve those needs.

Progress to Date

Service Quality B.C. projects undertaken in various government agencies include:

- Opening the first Expressway Motor Vehicle licensing office in Metrotown Mall in Burnaby. This office has extended hours and has helped reduce line-ups in other motor vehicle licensing offices.
- Developing simple forms, written in plain language to make them easier to complete and process.
- Establishing Enquiry B.C., a toll-free telephone number (1-800-663-7867) that provides one-step referrals to information on government services.
- Revamping the blue pages of government listings in B.C. Tel directories to provide easy access to government services. This "user friendly" service is expected to be included in all telephone books by July 1992, beginning with the Vancouver directory on July 2, 1991.
- Publishing *B.C. Guide: Programs and Services of the Provincial Government*, a paperback guidebook to government programs.
- Publishing *Newcomers' Guide to Resources and Services in British Columbia*, a handbook that introduces new residents to day-to-day life in our society.
- Introducing customer service skills training for staff, such as those in the Corporate and Personal Property Registries and the Office of the Public Trustee.
- Establishing customer feedback programs such as the B.C. Assessment Authority's distribution of 6,000 survey cards, and the Ministry of Parks open, town-hall style discussions with over 11,000 British Columbians.
- Using computer technology to speed up services in Government Agents' offices that issue birth certificates and other documents.

Future Directions

During the next year, government agencies will be surveying their customers to determine where service can be further improved. Broad goals include streamlining program delivery, improving operational performance, and providing the public with an opportunity to directly comment on service quality. This will mean that over the next few years, the public should see major improvements in the delivery of government services.

Chapter Seven

Crown Corporations and Agencies

7: Crown Corporations and Agencies

Introduction

Crown corporations and agencies are entities established or acquired by the government. There are three types of Crown corporations. Commercial Crown corporations generate revenue from the sale of services at commercial rates and pay their own operating expenses, including debt service charges. Economic development Crown corporations generate revenue from the sale of services to the public. However, these corporations undertake projects which provide economic benefits to the province, but may not generate a break-even financial return. Therefore, they may receive some financial assistance from the government. The remaining Crown corporations and agencies receive government financial assistance to administer social and government services and to assist in the financing of other public bodies.

The operations of Crown corporations are recorded in their own financial statements which are subject to audit by the Auditor General or by private sector auditors. The government's main financial statements reflect only transactions between the government and the Crown corporations. Appendix Table A7.1 lists major British Columbia Crown corporations and agencies by type and function, as well as their general mailing addresses and telephone numbers. Appendix Table A2.11 summarizes the outstanding net debt of provincial Crown corporations.

British Columbia Hydro and Power Authority

British Columbia Hydro and Power Authority generates, transmits and distributes electricity to over 1.3 million customers in a service area containing over 92 per cent of British Columbia's population. B.C. Hydro's rated or "name-plate" generating capacity at March 31, 1991 was 10,466 megawatts. Of this total, 9,332 megawatts were hydroelectric and 1,134 megawatts were thermal. The highest one-hour peak demand on the integrated system during the year was a record 8,122 megawatts, up significantly from the peak set in 1989 of 7,485 megawatts.

Operations

Electricity sales during 1990/91 were 43,991 gigawatt-hours, slightly above 1989/90's level of 42,743 gigawatt-hours. Domestic electricity sales increased by 3.8 per cent to 40,511 gigawatt-hours while electricity export sales decreased by 6.3 per cent to 3,480 gigawatt-hours (see Table 7.1).

Table 7.1 British Columbia Hydro and Power Authority Financial and General Operating Data

Fiscal year ended March 31,	1991	1990	Change 1990–1991
Electric			(per cent)
Generating name-plate capacity (rated megawatts)	10,466	10,467	0
Number of customers (thousands)	1,290	1,265	2.0
Electricity sold (domestic) (gigawatt-hours)	40,511	39,030	3.8
Electricity sold (export) (gigawatt-hours)	3,480	3,713	−6.3
Peak one-hour demand (megawatts)	8,122	7,373	10.2
Residential service—average revenue per kilowatt-hour (cents)	5.6	5.5	1.8
Revenue	($ millions)		(per cent)
—Domestic	1,814	1,706	6.3
—Exports	95	115	−17.4
	1,909	1,821	4.8
Operating income			
—Domestic	166	55	—
—Export	41	41	0
Total operating income	207	96	115.6
Net rate stabilization account transfer	—	23	—
Other income	—	41[1]	—
Net income	207	160	29.4
Net expenditure on fixed assets[2]	321	306	4.9
Fixed assets in service	11,099	10,822	2.6
Net debt outstanding	6,858	6,727	1.9
Temporary investments at end of year	132	207	−36.2
Number of regular employees	5,006	4,904	2.1

[1] Other income in 1989/90 represents the gain from the sale of B.C. Hydro's head office building in Vancouver.

[2] Contributions from third parties in aid of construction are netted against gross expenditure on fixed assets.

Source: British Columbia Hydro and Power Authority.

Domestic revenues reached a record high of $1.8 billion in 1990/91, an increase of 6.3 per cent over the previous year. This contributed to the third consecutive year of profitable domestic operations, a performance not seen since 1981. Domestic operating income increased significantly, due to a combination of continuing efficiency gains and exceptional revenue growth, from a 1.5 per cent rate and a 2 per cent customer increase.

For the year ended March 31, 1991, the corporation declared a $145-million general distribution to the provincial government, including $31 million for preferred funds borrowed from the government.

Debt Management

B.C. Hydro's financing strategy focuses on restructuring outstanding debt to reduce the amount of long-term debt carried at high borrowing costs and minimize exposure to foreign exchange fluctuations. Key initiatives include a program of sinking fund payments, debt repurchases, early call of issues and purchases of forward foreign exchange contracts.

Finance charges of $739 million were $29 million lower than last year despite a higher level of debt. This improvement was mainly due to favourable exchange rate movements and the active management of short-term debt. The use of a revolving borrowing facility to manage debt allowed B.C. Hydro to maintain financing flexibility while minimizing long-term borrowing costs.

Capital Expenditures

Capital expenditures net of contributions from third parties were $321 million in 1990/91, an increase of $15 million from the previous year. About one-third of these expenditures was required to handle exceptional residential customer growth on the distribution system.

Resource Planning

B.C. Hydro's hydroelectric system continues to balance the demand for electricity with the capability of the system to supply it on an assured basis. B.C. Hydro is pursuing an innovative energy strategy that will make the most cost effective use of existing supply and demand side options. Key initiatives include Power Smart, Resource Smart, Self-generation and Independent Power Producers. The success of these programs will ensure that growing demand for electricity will be met for the next 10 years without any major new hydroelectric projects.

Power Smart programs are designed to reduce future demand for electricity by encouraging conservation and efficient use. This initiative, started in 1989, has already achieved annual energy savings of 280 million kilowatt-hours, or enough power to meet the needs of approximately 28,000 homes for one year.

Resource Smart programs focus on improving the capacity and energy potential of existing facilities at a lower cost than building a new facility.

Self-generation programs encourage industrial customers to generate their own energy so that more power becomes available for other customers. Some customers are able to generate enough extra electricity to sell to B.C. Hydro.

Through the Independent Power Producers initiative, privately-owned facilities generate electricty and sell it to B.C. Hydro.

In addition, the rights to the downstream energy benefits sold to the United States under the Columbia River Treaty in 1964 will gradually revert to the province starting in 1998. The downstream benefits are estimated to be almost 2,800 gigawatt-hours by the year 2000.

These demand and supply side options are an integral part of B.C. Hydro's balanced development strategy which addresses the enormous risks associated with over-supply and under-supply of electricity. In addition, hydroelectric projects on the Peace River (Site C) and the Columbia River (Keenleyside) have been brought to "shelf-ready" status, so they may proceed quickly if needed in the future.

British Columbia Railway Company

British Columbia Railway Company, the third largest railway in Canada, operates 2,202 kilometres of main line track from North Vancouver to northeastern British Columbia (see Map 4.1: Chapter 4). The railway also maintains 638 kilometres of industrial and yard track sidings. Through connections at North Vancouver, Prince George and Dawson Creek, the railway has access to the North American railway network. Deep-sea bulk-loading facilities are located at North Vancouver and Squamish. A separate 37-kilometre rail line connects transcontinental rail carriers to Roberts Bank, the port facility for coal mines in southeastern British Columbia and Alberta. The railway also operates a microwave communications system, which enables dispatchers to be in constant communication with its trains and trucking fleet.

At the end of 1990, the railway's rolling stock fleet consisted of 121 locomotives, 9,958 freight cars, 9 passenger cars and 472 work cars. Land holdings of approximately 20,400 hectares, in addition to rights-of-way, include industrial parks at Prince George, Williams Lake, Mackenzie, Fort St. John, Dawson Creek, Fort Nelson and Fort St. James.

Corporate Structure

The provincially-owned British Columbia Railway Company, with its wholly-owned subsidiary, BCR Properties Ltd., own 100 per cent of the common shares of BC Rail Ltd. BC Rail Ltd. is the railway operating company while BCR Properties Ltd. owns and manages non-operating real estate assets.

Operations

Operating revenues for 1990 were $295 million, a 10 per cent decrease from the previous year. Operating expenses of $237 million were down 1.8 per cent from 1989. A strike, native blockades and severe winter conditions resulted in 60 days of main line closures during 1990. Net income after dividend payments to preferred shareholders was $34 million. On March 15, 1991, British Columbia Railway Company paid a $10 million dividend to its single common shareholder, the Province of British Columbia. Details of consolidated operating revenue are given in Table 7.2.

To expand the company's telecommunications services, BC Rail Ltd., in a joint venture with Toronto-based Lightel Inc. and Call-Net Telecommunications, is seeking regulatory approval to provide long distance voice and data services. These services would link British Columbia, Ontario and Quebec.

Table 7.2 British Columbia Railway Company Consolidated Summary Income Statement and Operating Data

Fiscal year ended December 31,	1990	1989	Change 1989–1990
	($ thousands)		(per cent)
Operating revenue	295,053	328,953	−10.3
Operating expense	237,289	241,715	−1.8
Operating income	57,764	87,238	−33.8
Interest expense	(9,048)	(8,663)	4.4
Other income	4,287	4,838	−11.4
Large corporations tax	(1,950)	(931)	109.5
Net income before minority interest	51,053	82,482	−38.1
Minority interest (preferred share dividends)	17,271	17,893	−3.5
Income before extraordinary item	33,782	64,589	−47.7
Extraordinary item	0	(80,646)[1]	—
Net income (loss)	33,782	(16,057)	310.4
Number of carloadings	199,744	218,642	−8.6
Tons hauled	15,851,000	16,955,000	−6.5
Employees at year end	2,480	2,700	−8.1
Revenue per main track kilometre ($ thousands)	134	167	−19.8

Source: British Columbia Railway Annual Report 1990.

[1] Costs relating to a portion of the uncompleted Dease Lake extension were determined to have no future economic benefit to the railway and therefore have been written off.

Capital Expenditure

Total capital expenditure in 1990 was $106 million. Focusing on trackage between Lillooet and North Vancouver, investments were made in roadbed improvements, installation of continuous welded rail and steel ties. Modernization and expansion of the North Vancouver yard facilities included a major intermodal service and reload centre completed in 1990. Delivery of 22 new General Electric locomotives was completed by late spring. Capital expenditure also included $3 million for rehabilitation of the Fort Nelson extension, which was reimbursed by the provincial government.

Government Assistance

In recognition of the railway's role in the development of northern British Columbia and as an operator of some uneconomic services deemed to be in the provincial interest, the government provides limited financial assistance to the railway. The government provided operating grants of $10 million and capital grants of $6 million in 1990.

Insurance Corporation of British Columbia

The Insurance Corporation of British Columbia was established in 1973 under the *Insurance Corporation Act* to administer Autoplan, a compulsory automobile insurance program providing basic liability coverage and accident benefits to all licensed motor vehicle owners in the province. In competition with other insurance companies, the corporation also offers a comprehensive range of optional automobile coverage.

In 1990, operation of the Insurance (Motor Vehicle) Act Fund resulted in net income of $17 million. The number of claims reported increased by 92,000 to 831,000, the second consecutive year in which claims have increased by over 90,000.

The corporation operates province-wide and offers claims services in many smaller communities. In 1990, rehabilitation services for residents of Vancouver Island were relocated from Vancouver to Victoria.

The Alternate Dispute Resolution program was successfully launched in 1990. This program offers an alternative to litigation for claimants who disagree with the corporation on the settlement of a claim. It avoids delays and reduces costs for both parties.

The corporation continued participating in the CounterAttack Drinking Driving program and its initiatives to promote safety belt use. The corporation was also involved in initiatives to reduce speeding and increase safety at intersections.

Table 7.3 Insurance Corporation of British Columbia Operating Data

Fiscal year ended December 31,	1990	1989	Change 1989–1990
Revenue	($ thousands)		(per cent)
Premium income	1,413,095	1,245,808	13.4
Investment income	331,937	278,493	19.2
	1,745,032	1,524,301	14.5
Claims and expenses			
Claims incurred	1,362,791	1,126,456	21.0
Other expenses	365,051	307,750	18.6
	1,727,842	1,434,206	20.5
Net income	17,190	90,095	−80.9
Vehicle policies	2,171,000	2,095,000	3.6
Average premium	$631	$580	8.8
Number of claims for policy year	831,000	739,000	12.5
Unpaid claims ($ thousands)	2,036,899	1,749,429	16.4
Expense ratio (per cent)	13	13	0
Average number of employees	3,396	3,040	11.7
Investments at year end ($ thousands)	2,573,456	2,299,925	11.9
Total assets ($ thousands)	2,886,651	2,559,387	12.8
Catastrophe reserve fund ($ thousands)	30,000	30,000	0
Rate stabilization reserve fund ($ thousands)	82,000	65,000	26.2

Source: Insurance Corporation of British Columbia Annual Report 1990.

For 1991, premiums were increased 4.5 per cent on average, as compared to an 8.8 per cent increase in 1990. Three per cent pays for the increasing number and cost of claims and improved Autoplan benefits. The remaining 1.5 per cent is needed to offset the impact of the federal goods and services tax (GST). Premiums are exempt from the GST.

British Columbia Petroleum Corporation

The British Columbia Petroleum Corporation was formed in 1973 to market natural gas produced in the province at negotiated prices. On August 1, 1990, the structure of the corporation changed significantly with the transfer of its marketing operations to CanWest Gas Supply Inc., a company owned by British Columbia producers. Concurrently, new legislation — the *Natural Gas Price Act, 1989* and the *Natural Gas Price Amendment Act, 1990* — redefined the roles of government and the corporation in a deregulated natural gas marketplace.

The British Columbia Petroleum Corporation operates under the Ministry of Energy, Mines and Petroleum Resources. It is now primarily an administrative and regulatory body which determines royalty payments and industry levies. As well, the corporation provides information to assist the government with policy decisions.

Table 7.4 Natural Gas Price Adjustment Fund[1]: Statement of Revenue, Expenditure and Fund Balance

Fiscal year ended March 31,	1991	1990
	($ thousands)	
Revenue		
Natural gas sales	135,366	526,498
Less: Westcoast cost-of-service	68,286	207,896
	67,080	318,602
Sulphur and by-product sales	8,365	32,326
Interest income	1,311	2,546
	76,756	353,474
Expenditure		
Gas purchases	73,131	325,900
Price adjustments	3,581	16,295
Payments for natural gas liquids	4,452	19,512
Administrative and general	2,081	3,720
	83,245	365,427
Excess of expenditure over revenue	6,489	11,953
Fund balance at beginning of year	25,303	37,256
Transfer of assets and liabilities to CanWest Gas Supply Inc.	18,814	0
Fund balance at end of year	0	25,303

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[1] All assets and liabilities of the Natural Gas Price Adjustment Fund were purchased by CanWest Supply Inc. effective August 1, 1990. Therefore the 1990/91 results cover only four months of operations.

Source: British Columbia Petroleum Corporation Annual Report 1990/91.

Natural Gas Price Adjustment Fund

As a result of the transfer of marketing operations on August 1, 1990, all assets and liabilities of the Natural Gas Price Adjustment Fund were sold to CanWest. As a result, the 1990/91 fiscal year reflects only four months of operation under the *Natural Gas Price Act, 1985*. During this period, the corporation received revenue on the resale of natural gas which was paid into the Natural Gas Price Adjustment Fund. Under the act, all revenues net of the corporation's operating costs revert to the producers. Accordingly, a total fund balance of $19 million was transferred to CanWest and the fund was liquidated on March 31, 1991.

Petroleum Corporation Fund

Until August 1, 1990, the Petroleum Corporation Fund included transactions prior to July 1, 1985. After this date, the fund balance of $27 million was transferred to the province as required under the *Petroleum Corporation Act*. Financial transactions of the corporation continue to be reported under the Petroleum Corporation Fund name. Also, the operations of the corporation's wholly owned subsidiary, B.C. Petroleum (Kitimat) Ltd., previously reported under the Natural Gas Price Adjustment Fund, are reported under the Petroleum Corporation Fund.

Under new legislation, as of August 1, 1990, the corporation's income is derived primarily from a user fee levied on all natural gas produced in the province to offset administrative costs arising from deregulation of the industry. For the eight months

Table 7.5 Petroleum Corporation Fund: Statement of Revenue, Expenditure and Fund Balance

Fiscal year ended March 31,	1991	1990
	($ thousands)	
Revenue		
Natural gas sales	32,192	0
B.C. Levy revenue	2,560	0
Interest	1,151	5,658
Miscellaneous income	10	47
Gain (loss) on prepaid gas	28	(8)
Gain on disposal of assets	0	12
	35,941	5,709
Expenditure		
Natural gas purchases	32,192	0
Administrative and general	590	56
	32,782	56
Net income	3,159	5,653
Fund balance at beginning of year	26,191	54,099
	29,350	59,752
Deduct: Transfers to Provincial Treasury	28,598	33,561
Fund balance at end of year	752	26,191

Source: British Columbia Petroleum Corporation Annual Report 1990/91 from August 1990 to March 1991, the levy was set at 30.9 cents per thousand cubic metres, resulting in $3 million being collected from producers. Of this amount, $1 million was transferred to the provincial government to defray transition costs while the balance remains with the corporation to fund its operations. The levy was lowered to 19.8 cents for the 1991/92 fiscal year, reflecting the corporation's commitment to keep operating costs at a minimum.

Liquor Distribution Branch

The Liquor Distribution Branch (LDB) manages the distribution of alcoholic beverages in British Columbia in accordance with the *Liquor Distribution Act*. The LDB's corporate objectives are to provide a high level of customer service, meet the provincial government's revenue targets, provide suppliers with controlled but fair access to the marketplace, foster a healthy business environment for the province's liquor industry, and encourage responsible and moderate use of alcohol.

During 1990/91, the LDB renovated 18 stores, replaced 3 stores and opened 1 new store. In addition, 4 new rural stores opened and 2 closed. At March 31, 1991, there were 217 government liquor stores, 132 rural agency stores in remote communities (located in premises that may also sell non-alcoholic products) and 95 industry agency appointments operating at 49 British Columbia wineries, breweries and distilleries. Thirteen of the operators at these locations also have direct agency appointments with the LDB, allowing the sale of imported wines. In addition, the LDB has financial agreements with 209 licensee retail stores.

During 1990/91, gross LDB revenue increased 3.8 per cent while operating expenses increased 10.2 per cent. As a result, net income of the LDB increased 6.6 per cent to $447 million. The shift in consumption patterns from more expensive, higher alcohol content products to less expensive, lower alcohol content products may continue to influence future profitability.

Table 7.6 Liquor Distribution Branch Summary Income Statement

Fiscal year ended March 31,	1991	1990	Change 1990–1991
	($ millions)		(per cent)
Sales	1,329.4	1,280.7	3.8
Less discounts and commissions	25.6	21.2	20.8
Net sales	1,303.8	1,259.5	3.5
Cost of merchandise sold	720.2	715.7	0.6
	583.6	543.8	7.3
Operating expenses	141.6	128.5	10.2
	442.0	415.3	6.4
Other income	5.3	4.3	23.3
Net income	447.3	419.6	6.6

Source: Liquor Distribution Branch

British Columbia Lottery Corporation

The British Columbia Lottery Corporation has responsibility for the conduct and management of lottery games within British Columbia, and cooperates with other provinces in the conduct and marketing of nationwide games. As well, the corporation is the sole distributor of bingo paper within the province. The corporation has its headquarters in Kamloops and employs over 300 persons throughout the province.

The corporation currently offers 10 lottery games. Seven are conducted solely by the corporation in British Columbia, while the remainder are joint undertakings through the Interprovincial Lottery Corporation. The corporation's products are made available to the public through a network of licensed retailers throughout British Columbia.

Operations

Net income for 1990/91 was $217 million, 5.8 per cent higher than in 1989/90. Total sales increased 10.1 per cent, while direct expenses on prizes increased 13.4 per cent and commissions increased 18.9 per cent. Details of operating results are given in Table 7.7.

Table 7.7 British Columbia Lottery Corporation Summary Income Statement

Fiscal year ended March 31,	1991	1990	Change 1990–1991
	($ millions)		(per cent)
Sales	603.3	548.1	10.1
Direct expenses			
Prizes	294.0	259.3	13.4
Retailer commissions	35.9	30.2	18.9
Ticket printing	15.0	14.3	4.9
Sales less direct expenses	258.4	244.3	5.8
Operating expenses	41.0	38.9	5.4
Net income	217.4	205.4	5.8
Distribution of net income			
Government of Canada	5.5	5.2	5.8
Province of British Columbia	211.9	200.2	5.8
	217.4	205.4	5.8

Source: British Columbia Lottery Corporation.

British Columbia Steamship Company (1975) Ltd.

B.C. Steamship Company (1975) Ltd. (B.C. Steamship) was created to manage and operate a ferry service between Victoria and Seattle. In November 1988, the operating assets of B.C. Steamship were sold to B.C. Stena Line Ltd. (B.C. Stena). During 1989 and 1990, B.C. Stena provided ferry service between Victoria and Seattle. This service ended in late 1990 when B.C. Stena decided to withdraw from the Victoria-Seattle market. Passenger ferry service between the two cities continues to be provided by Clipper Navigation, which has expanded its fleet since the departure of B.C. Stena. B.C. Steamship is seeking an operator for the 1992 season.

British Columbia Ferry Corporation

British Columbia Ferry Corporation was established in 1977 to operate the province's coastal ferry system. The corporation, which employs 3,000 people during the peak traffic season, operates one of the largest ferry systems in the world, as measured by traffic carried and routes serviced. The fleet of 40 vessels currently operates on 24 routes.

The fleet links Vancouver Island to the Lower Mainland with three separate routes. It links the many small islands in the Strait of Georgia to either Vancouver Island or the mainland and serves the communities of the Sunshine Coast. It operates services connecting Prince Rupert, on British Columbia's north coast, to the Queen Charlotte Islands and to northern Vancouver Island. Drop-trailer service is also provided between Prince Rupert and Skidegate for unaccompanied commercial vehicles.

The corporation provides financial assistance to operators of transportation services for passengers and light freight for communities on the west coast of Vancouver Island; between Prince Rupert, Port Simpson and Kincolith; between Vancouver Island and Lasqueti Island; and to other mid-coast communities.

Table 7.8 British Columbia Ferry Corporation Summary Income Statement and Opeating Data

Fiscal year ended March 31,		1991	199	Change 1990–1991
		($ millions)		(per cent)
Operating revenue		241.9	222.	8.9
Operating expense		255.1	246.	3.6
Income (loss) from operations		(13.2)	(24.	−45.2
Interest income (expense)		9.2	2.	—
Net income (loss)		(4.0)	(21.	−81.4
Provincial subsidy[1]		48.5	51.	−4.9
Capital expenditure		101.3	17.	—
Traffic				
Vehicles	(thousands)	7,707	7,49	2.8
Passengers	(thousands)	19,775	19,22	2.8
Capacity utilization (annual average)				
Vehicles		65%	67%	
Passengers		27%	28%	

Source: British Columbia Ferry Corporation.

[1] The provincial government prepaid the 1990/91 subsidy, discounted to $48.2 million.

Operations

During 1990/91, vehicle and passenger volumes both increased 2.8 per cent. Operating revenue increased 8.9 per cent to $242 million in 1990/91, while operating expenses totalled $255 million, a 3.6 per cent increase from the previous year. Operating and capital costs were partly funded by a prepaid provincial government subsidy of $49 million in 1990/91. An extension of the amortization period of certain fixed assets resulted in a $17 million decrease in depreciation expense. The corporation reported a net loss of $4 million for the year, an improvement from the previous year.

Capital Expenditure

In 1989, the corporation commenced a ten-year, government approved capital expansion program totalling $550 million. Construction has started on two super ferries and two smaller ferries, and further improvements to the corporation's four major terminals. During 1990/91, the corporation made capital expenditures of $101 million, including $71 million on ship modifications and upgradings, $11 million for the purchase of a ship from Norway and $19 million for improvements to its terminals.

British Columbia Transit

British Columbia Transit was established in 1978 to ensure a uniform provincial policy for urban transit. As well as providing transit services in the regions of Vancouver and Victoria, the corporation operates in 36 smaller communities throughout the province. During 1990, Victoria and Vancouver each celebrated a centennial of public transit service.

B.C. Transit manages a provincial fleet of 1,546 vehicles, including 114 SkyTrain cars, 2 SeaBus ferries, and numerous other physical assets, including transit exchanges and garages.

B.C. Transit also funds transportation for disabled persons who are unable to use conventional public transit vehicles. A customer transit service, known as HandyDart, serves 15 communities.

Transit systems are financed through direct operating revenues from fareboxes, passes and advertising, and a funding formula specifying the shares of operating costs to be covered by the provincial and municipal governments. In Greater Vancouver and Victoria, municipal government contributions may be raised through a combination of property taxes, electrical power levies and gasoline surcharges. In the rest of the province, municipal government contributions are raised through property taxation only.

Rapid Transit

B.C. Transit has overall responsibility for the construction and operation of SkyTrain in Greater Vancouver. Phase I of the project, the 22-kilometre SkyTrain rapid transit line between downtown Vancouver and New Westminster, went into service on January 2, 1986. Phase II from New Westminster to Scott Road in Surrey began service on March 17, 1990. Plans are underway to extend SkyTrain to

Whalley in Surrey by 1993. As well, extensions are planned to Lougheed Mall in Coquitlam and from downtown Vancouver to Richmond by 1995. Capital costs of the planned SkyTrain extensions will be completely funded by the provincial government.

Operations

During 1990/91, British Columbia Transit's total ridership increased by 9 per cent to 146 million passengers. As a result of providing more service, escalating costs and increasing debt service payments, total expenditures increased 17.3 per cent to $464 million. These expenditures were partly funded through provincial government contributions of $213 million and municipal government contributions of $100 million, with the remainder coming from operating and other revenues (see Table 7.9)

Table 7.9 British Columbia Transit Statement of Operating Expenditures and Recoveries

Fiscal year ended March 31,	1991	1990	Change 1990–1991
Expenditures	($ thousands)		(per cent)
Transit operations	231,203	203,138	13.8
Administration	42,680	37,004	15.3
Property leases and taxes	6,606	5,545	19.1
Debt servicing	183,765	150,129	22.4
	464,254	395,816	17.3
Recoveries			
Contributions from the provincial government	173,061	139,473	24.1
Contributions from municipalities	99,503	81,087	22.7
Transit operations	138,773	125,843	10.3
Provincial grant — debt servicing assistance	40,327	38,927	3.6
Other	12,590	10,486	20.1
	464,254	395,816	17.3

Source: British Columbia Transit.

British Columbia Trade Development Corporation

The British Columbia Trade Development Corporation was established June 1, 1989 and is a Crown agency affiliated with the Ministry of Development, Trade and Tourism. Under the chairmanship of the minister, the corporation's mandate is to encourage and increase the export of British Columbia goods and services.

Marketing Division

The Marketing Division provides market intelligence on new business opportunities, and assists British Columbia companies in evaluating and taking maximum advantage of these opportunities. The division focuses on seven market sectors: agriculture, fisheries and food; films; manufacturing; advanced technology; natural resources; service industries; and national and international procurement opportunities.

Export Advisory Services

The Export Advisory Services Division provides firms with specialized export management counselling, access to financing, and targeted training programs. Counselling and financial advice are provided to help existing exporters improve their success rate in penetrating export markets and inexperienced companies to develop and implement an export program (see also Table 6.1 in Chapter 6).

Business Information

The corporation helps improve both basic and international business skills through the Business Info Centre, a one-stop shop for business information, and the British Columbia Business Network, an electronic, worldwide business information network.

The Business Info Centre carries business periodicals, directories, reference and "how-to" materials, daily updates on export opportunities, listings of agents and distributors, country profiles, market studies and information on upcoming trade shows.

The British Columbia Business Network provides access to information on companies, and on business and export opportunities.

British Columbia Hazardous Waste Management Corporation

The British Columbia Hazardous Waste Management Corporation was established in June 1990. The five-year mandate of the corporation is to motivate and support initiatives by industries, individual businesses, government and individuals to develop a comprehensive hazardous waste management system in British Columbia. The corporation will provide technical assistance to industries, as well as develop waste management education programs to help reduce and control waste from its source to treatment and disposal.

Okanagan Valley Tree Fruit Authority

The Okanagan Valley Tree Fruit Authority was established in August 1990 to assist and encourage fruit growers in the interior to revitalize their industry, renew its efficiency and restore its profitability. The authority helps the industry market targeted fruit varieties, finances orchard replanting and provides education. The authority is also leading an industry planning process to broaden the industry's markets.

British Columbia Pavilion Corporation

The British Columbia Pavilion Corporation is responsible for operating and managing British Columbia Place Stadium, the Vancouver Trade and Convention Centre, the Robson Square Conference Centre, the British Columbia Transportation Museum, and the Bridge Studios in Vancouver. In addition, TRADEX, the Fraser Valley Trade and Exhibition Centre, was opened in July 1991.

During 1990-91, revenue from operations, after the deduction of direct event costs, declined 10 per cent to $13.5 million, while facility expenditures also decreased to $23 million. As a result, net expenditure dropped to $9.5 million from $10 million in 1989-90.

British Columbia Buildings Corporation

British Columbia Buildings Corporation was established in 1976 to control the provision and allocation of government office space. The corporation is self-supporting, raising operating funds by charging government ministries rent that is based on equivalent rates in the commercial market.

During 1990/91, revenues of the corporation increased 11.9 per cent to $298 million, while operating expenses before interest charges increased by 12.8 per cent to $225 million. The corporation's net income increased to $21 million in 1990/91, and a dividend of $22 million was paid to the provincial government (see Table 7.10).

Table 7.10 British Columbia Buildings Corporation Summary Income Statement

Fiscal year ended March 31,	1991	1990	Change 1990–1991
	($ millions)		(per cent)
Revenue			
Rentals	265.1	241.3	9.9
Other income	33.3	25.3	31.6
	298.4	266.6	11.9
Expenses			
Property management	84.5	76.5	10.5
Leases	70.6	60.0	17.7
Depreciation and amortization	34.3	32.2	6.5
Energy	13.6	12.4	9.7
Property taxes and grants	11.6	10.5	10.5
General and administrative	10.8	8.2	31.7
	225.4	199.8	12.8
Net income before interest	73.0	66.8	9.3
Interest expense	52.4	47.7	9.9
Net income	20.6	19.1	7.9

Source: British Columbia Buildings Corporation.

British Columbia Systems Corporation

British Columbia Systems Corporation was established in 1977 under the *System Act* to provide information technology services to the British Columbia public sector. The corporation provides products and services that improve the quality of service delivered to the public through information processing, telecommunications, and data storage. BC OnLine, introduced in July 1989, contributed to a substantial increase in business transactions. BC OnLine allows authorized lawyers, real estate agents, auto dealers, financial institutions, and others direct electronic access to some of the province's regulatory information databases, including the land titles, corporate, and personal property registries.

During 1990/91, revenue increased 20 per cent to $151 million. Net income from operations was $10 million, an increase of 18 per cent over 1989/90 (see Table 7.11). This marks the sixth consecutive year of profitability for the corporation. As a result, the corporation paid the provincial government a $5.8 million dividend for 1990/91.

Table 7.11 British Columbia Systems Corporation Summary Income Statement

Fiscal year ended March 31,	1991	1990	Change 1990–1991
	($ millions)		(per cent)
Gross revenue	151.1	125.5	20.4
Operating expenses			
Employee costs	43.7	34.3	27.4
Facilities management fees	4.1	3.9	5.1
Administrative and general	7.1	6.5	9.2
Equipment rental and maintenance	58.8	52.6	11.8
Depreciation and amortization	26.8	18.9	41.8
Interest on long-term debt	1.0	0.9	11.1
	141.5	117.1	20.8
Net income from operations	9.9	8.4	17.9
Net building cost	(3.7)	(3.8)	−2.6
Debt assistance grant from provincial government	3.8	3.8	0
Net income	9.7	8.4	15.5

Source: British Columbia Systems Corporation Annual Report 1990/91.

British Columbia Housing Management Commission

In 1990, the British Columbia Housing Management Commission was responsible for managing 7,740 subsidized rental units on which rents are reduced to 30 per cent of tenants' incomes. Similar rent supplements were available for tenants of 17,944 non-profit and designated private sector housing units, including 2,087 units for physically and mentally disabled persons. The provincial government contributed $28 million to the commission in 1990 while the Canada Mortgage and Housing Corporation contributed $41 million.

Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation, acquired by the provincial government in 1973 and incorporated under the *Company Act*, holds all public rental housing and some non-profit housing projects on behalf of the government. In 1990/91, certain properties were transferred to the corporation from the government's Social Housing Special Account. At December 31, 1990, the corporation had a net investment of $188 million in these rental properties.

Provincial Capital Commission

The mandate of the Provincial Capital Commission is to protect and enhance the amenity values of the Capital Improvement District, which includes the City of Victoria, the municipalities of Esquimalt and Oak Bay, the Saanich Peninsula and the Western Communities.

Of the 106 projects undertaken since 1956, over 30 have involved the Victoria Inner Harbour. Other projects of note include major parts of the Scenic Drive, the Gorge Waterway, Cuthbert Holmes Park, Bowker Creek, Colquitz River Park, Beacon Hill Park, rehabilitation of the Crystal Garden, and stewardship of the former St. Ann's Academy campus.

British Columbia School Districts Capital Financing Authority

As the borrowing agency for the capital funding requirements of school districts, this authority raised $224 million in the 1990/91 fiscal year. At March 31, 1991, there was $953 million in net debt outstanding, consisting of $645 million in guaranteed debt and $308 million in fiscal agency debt.

British Columbia Educational Institutions Capital Financing Authority

This authority is the borrowing agency for the capital funding requirements of universities, colleges and provincial institutes. Borrowing of $93 million was undertaken in the 1990/91 fiscal year. At March 31, 1991, there was $481 million in net debt outstanding, consisting of $321 million in guaranteed debt and $160 million in fiscal agency debt.

British Columbia Regional Hospital Districts Financing Authority

As the borrowing agency for the capital funding requirements of regional hospital districts, this authority raised $183 million in 1990/91. At March 31, 1991, there was $916 million in net debt outstanding, consisting of $629 million in guaranteed debt and $287 million in fiscal agency debt.

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Table A1.1 Components of British Columbia Population Change

Year	Net Migration			Natural Increase			Total Population Increase	Population[1] — End of Period (December 31)
	Interprovincial	International	Total	Births	Deaths	Total		
	(number)							(thousands)
1962	7,505	585	8,090	38,128	14,912	23,216	31,306	1,686.0
1963	11,863	1,768	13,631	37,478	15,029	22,449	36,080	1,728.0
1964	18,611	3,991	22,602	35,897	16,051	19,846	42,448	1,779.0
1965	30,955	8,914	39,869	33,669	15,784	17,885	57,754	1,848.0
1966	36,395	17,709	54,104	32,502	16,290	16,212	70,316	1,926.0
1967	18,969	19,813	38,782	32,899	16,170	16,729	55,511	1,988.0
1968	17,004	14,682	31,686	33,687	16,828	16,859	48,545	2,042.0
1969	25,903	14,456	40,359	35,383	17,377	18,006	58,365	2,107.0
1970	22,579	13,666	36,245	36,861	17,020	19,841	56,086	2,168.0
1971	25,034	10,016	35,050	34,852	17,783	17,069	52,119	2,223.6
1972	24,927	10,925	35,852	34,563	18,021	16,542	52,394	2,280.2
1973	30,537	16,553	47,090	34,352	18,095	16,257	63,347	2,349.8
1974	22,655	23,148	45,803	35,450	19,177	16,273	62,076	2,418.3
1975	−2,864	18,961	16,097	36,281	19,151	17,130	33,227	2,457.1
1976	−1,490	11,079	9,589	35,848	18,788	17,060	26,649	2,485.5
1977	15,507	7,463	22,970	36,691	18,596	18,095	41,065	2,527.1
1978	20,698	4,985	25,683	37,231	19,058	18,173	43,856	2,572.1
1979	33,241	10,617	43,858	38,432	19,204	19,228	63,086	2,636.4
1980	40,165	19,170	59,335	40,104	19,371	20,733	80,068	2,717.7
1981	19,885	16,336	36,221	41,474	19,857	21,617	57,838	2,774.1
1982	−2,019	11,949	9,930	42,747	20,707	22,040	31,970	2,802.7
1983	4,029	7,347	11,376	42,919	19,827	23,092	34,468	2,833.8
1984	3,505	5,813	9,318	43,911	20,686	23,225	32,543	2,863.0
1985	−3,199	5,116	1,917	43,127	21,302	21,825	23,742	2,883.4
1986	910	4,998	5,908	41,967	21,213	20,754	26,662	2,908.7
1987	17,618	12,655	30,273	41,814	21,814	20,000	50,273	2,958.9
1988	25,865	18,305	44,170	42,930	22,546	20,384	64,554	3,023.5
1989	35,683	20,078	55,761	43,769	22,997	20,772	76,533	3,100.0
1990	40,990	23,456	64,446	44,570	23,160	21,410	85,856	3,185.9

[1] Components may not add to end of period population totals — Statistics Canada has revised some total population figures, but not individual components.

Source: Statistics Canada.

Table A1.2 Summary Table of Economic Activity for British Columbia

	Units	1975	1976	1977	1978	1979
Annual aggregate indicators						
Population (June 1)	(thousands)	2,433	2,467	2,499	2,542	2,589
Gross domestic product (at market prices)	($ millions)	19,486	22,990	25,647	28,732	33,360
Personal income	($ millions)	16,135	18,488	20,691	23,266	26,422
Capital investment	($ millions)	4,423	5,197	5,593	6,201	7,451
Business incorporations	(number)	10,621	12,642	13,509	15,215	17,616
Labour statistics						
Labour force	(thousands)	1,087	1,117	1,148	1,202	1,239
Employment	(thousands)	995	1,021	1,050	1,103	1,144
Unemployment rate	(per cent)	8.5	8.6	8.5	8.3	7.6
Prices and earnings						
Consumer price index (British Columbia)	(1986=100)	n.a.	n.a.	n.a.	n.a.	62.2
Consumer price index (Vancouver)	(1986=100)	45.4	49.7	53.3	57.4	61.9
B.C. export commodity price index	(1986=100)	55.6	61.6	70.0	80.9	101.3
Average weekly earnings	($)	204.96	231.30	253.23	268.62	291.70
Wages and salaries	($ millions)	10,437	12,020	13,512	14,618	16,547
Other indicators						
B.C. merchandise exports	($ millions)	4,015	5,470	6,565	7,874	9,882
Imports through B.C. customs ports	($ millions)	2,589	3,057	3,527	4,492	5,543
Manufacturing shipments	($ millions)	7,326	8,856	10,060	12,235	14,631
Retail sales[2]	($ millions)	5,938	6,675	7,284	8,227	9,195
Housing starts	(number)	34,152	37,727	32,358	28,618	27,345
Non-residential building permits	($ millions)	568	690	701	698	928
U.S. housing starts	(thousands)	1,160	1,538	1,987	2,020	1,745
Tourism revenue[3]	($ millions)	970	1,180	1,345	1,552	1,630
Commodity data						
Lumber production	(thousand m^3)	17,626	25,356	28,407	29,603	29,522
Pulp production	(thousand tonnes)	3,951	5,347	4,877	5,382	5,324
Newsprint, paper and paperboard	(thousand tonnes)	1,490	1,963	1,993	2,163	2,129
Coal production	(thousand tonnes)	8,925	7,538	8,424	9,464	10,570
Farm cash receipts	($ millions)	429	483	524	596	673
Petroleum and natural gas production	($ millions)	321	421	550	569	896
Landed value of fish products	($ millions)	80	142	168	251	333

[1] Includes some estimates.

[2] Due to a change in surveys, data from 1981 to present is not comparable to previous years.

[3] Due to survey and methodology changes, data from 1989 to present is not comparable to previous years.

n.a.: not available.

1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990[1]	Change 1989–1990
											(per cent)
2,666	2,744	2,788	2,814	2,848	2,870	2,889	2,925	2,980	3,048	3,127	2.6
38,239	44,691	46,115	48,151	51,119	54,499	57,342	62,866	69,291	76,332	81,085	6.2
31,057	36,960	40,405	41,666	43,690	46,487	48,831	52,626	57,808	64,423	69,963	8.6
9,519	11,885	10,102	9,346	8,787	10,189	9,576	10,781	12,710	15,925	17,712	11.2
21,380	23,368	11,431	13,786	14,050	15,578	17,064	18,691	18,703	21,817	19,556	−10.4
1,301	1,361	1,367	1,380	1,396	1,420	1,451	1,482	1,514	1,578	1,601	1.5
1,213	1,270	1,202	1,190	1,191	1,220	1,270	1,306	1,358	1,435	1,469	2.4
6.8	6.7	12.1	13.8	14.7	14.1	12.5	11.9	10.3	9.1	8.3	—
68.0	77.7	85.9	90.5	94.2	97.1	100.0	103.0	106.7	111.5	117.6	5.5
67.7	77.3	85.5	90.2	93.8	96.8	100.0	103.1	106.8	111.5	117.6	5.5
101.7	92.7	91.6	94.9	98.2	94.6	100.0	105.5	114.9	119.2	112.6	−5.5
324.12	362.93	397.17	425.40	429.69	441.56	444.02	453.42	466.52	491.63	515.91	4.9
19,557	22,748	23,505	23,737	24,360	26,073	27,288	29,714	32,637	36,799	39,919	8.5
9,966	9,458	9,177	10,298	12,066	12,778	13,179	16,236	17,830	18,334	16,648	−9.2
6,300	7,954	6,256	6,450	7,827	9,292	11,018	10,946	12,808	13,888	14,299	3.0
15,896	16,782	15,647	16,994	17,996	19,858	20,240	23,374	25,516	26,127	24,538	−6.1
10,572	13,552	13,294	13,852	14,692	16,162	17,586	19,357	21,023	23,036	24,473	6.2
37,546	41,585	19,807	22,607	16,169	17,969	20,687	28,944	30,487	38,894	36,720	−5.6
1,207	1,335	1,026	775	827	812	912	999	1,647	1,808	1,832	1.3
1,292	1,084	1,062	1,703	1,750	1,742	1,805	1,621	1,488	1,376	1,193	−13.3
1,800	2,020	2,009	2,155	2,325	2,406	3,172	2,942	3,367	5,013	5,183	3.4
28,268	24,598	23,855	30,773	30,884	32,994	31,468	37,336	36,736	35,952	33,515	−6.8
5,717	4,813	4,759	5,752	5,371	6,029	6,354	7,060	7,170	6,990	6,605	−5.5
2,152	1,870	1,905	2,158	2,085	2,500	2,601	2,757	2,878	2,852	2,994	5.0
10,824	11,753	10,646	11,480	20,740	22,613	20,852	22,587	24,813	25,134	25,809	2.7
779	877	962	915	996	1,032	1,069	1,083	1,137	1,169	1,186	1.5
828	885	913	899	998	1,050	778	732	735	783	914	16.7
184	236	241	210	243	378	405	441	533	409	544	33.0

Table A1.3 British Columbia Nominal Gross Domestic Product by Industry (at factor cost)

Year	Agriculture	Fishing and Trapping	Forestry and Logging	Mining	Manufacturing	Construction	Utilities	Transportation Communication and Storage	Wholesale and Retail Trade	Finance Insurance and Real Estate	Community Business and Personal Services	Public Administration and Defence	Total[1]
($ millions)													
1961	89	30	166	88	732	283	81	406	481	441	561	236	3,594
1962	95	36	202	114	826	294	90	417	498	457	592	250	3,872
1963	96	30	197	126	896	311	94	465	545	506	647	263	4,178
1964	97	36	226	130	968	379	105	512	604	561	714	278	4,611
1965	97	34	245	136	1,061	480	117	576	660	628	820	301	5,156
1966	110	44	257	163	1,145	549	128	647	740	681	975	340	5,779
1967	120	34	260	188	1,186	614	127	696	816	754	1,118	376	6,287
1968	138	41	300	193	1,338	599	143	746	865	882	1,212	432	6,888
1969	122	35	348	225	1,485	671	184	851	1,021	1,027	1,396	478	7,842
1970	127	44	324	232	1,384	685	200	924	1,112	1,108	1,560	529	8,229
1971	117	40	343	251	1,587	875	227	994	1,169	1,202	1,729	567	9,101
1972	134	54	401	321	1,891	906	251	1,121	1,372	1,395	1,978	632	10,455
1973	209	98	545	675	2,502	1,136	273	1,307	1,595	1,700	2,324	726	13,090
1974	214	69	563	651	2,824	1,381	307	1,637	2,059	2,019	2,942	902	15,567
1975	219	54	458	626	2,824	1,622	350	1,770	2,480	2,324	3,524	1,123	17,375
1976	249	99	692	813	3,465	1,912	454	2,000	2,705	2,699	4,068	1,325	20,480
1977	290	117	771	855	3,929	2,030	611	2,262	2,757	3,172	4,532	1,482	22,809
1978	338	187	897	943	4,631	2,052	668	2,527	3,059	3,693	5,081	1,631	25,704
1979	449	238	1,153	1,621	5,386	2,246	748	2,933	3,534	4,423	5,714	1,811	30,256
1980	501	125	1,179	1,480	5,620	2,994	903	3,371	4,514	5,108	6,924	2,028	34,746
1981	537	145	1,033	1,265	5,609	4,018	1,066	3,956	5,521	5,661	8,413	2,302	39,526
1982	586	153	951	1,210	4,823	3,426	1,145	4,266	5,474	6,483	9,512	2,693	40,720
1983	569	134	1,390	1,320	5,643	3,573	1,156	4,344	5,398	7,180	9,270	2,779	42,756
1984[2]	525	138	1,111	1,865	6,023	3,112	1,298	4,722	5,989	7,525	10,083	3,030	45,422
1985[3]	533	236	1,206	1,698	6,480	3,435	1,774	5,150	6,032	8,471	10,615	2,965	48,595
1986[3]	565	270	1,207	1,411	7,258	3,332	1,590	5,355	6,203	9,275	11,487	3,088	51,041
1987[3]	592	292	1,447	1,636	8,501	3,675	1,873	5,654	6,882	10,241	12,173	3,175	56,143
1988[3]	610	321	1,595	1,759	9,254	4,079	1,835	6,069	7,635	11,583	13,362	3,271	61,373
1989[3]	608	315	1,688	1,872	9,502	4,683	1,788	6,752	8,441	13,103	15,266	3,546	67,565

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[1] Totals may not add due to rounding.

[2] Due to revised Statistics Canada methodology, estimates for 1984 forward are not strictly comparable with prior years.

[3] Subject to revision.

Note: Gross Domestic Product at factor cost equals Gross Domestic Product at market prices less indirect taxes and subsidies.

Source: Ministry of Finance and Corporate Relations.

The Gross Domestic Product by industry tables have not been updated in this publication, because the underlying data were not available at time of publication. Because the 1986 to 1989 data have not been revised, data in this table are not consistent with the data in Table A1.5.

Table A1.4 British Columbia Real Gross Domestic Product by Industry (at factor cost)

(1981 $ millions)

Year	Agriculture	Fishing and Trapping	Forestry and Logging	Mining	Manufacturing	Construction	Utilities	Transportation Communication and Storage	Wholesale and Retail Trade	Finance Insurance and Real Estate	Community Business and Personal Services	Public Administration and Defence	Total[1]
1961	330	207	618	457	2,550	1,047	213	1,012	1,328	1,843	2,659	1,143	13,311
1962	317	227	760	635	2,788	1,074	243	991	1,387	1,881	2,736	1,204	14,144
1963	327	181	724	703	2,960	1,102	256	1,125	1,495	1,988	2,904	1,221	14,773
1964	326	192	798	681	3,145	1,316	285	1,236	1,626	2,140	3,047	1,239	15,725
1965	312	164	825	745	3,362	1,575	314	1,353	1,790	2,314	3,341	1,263	16,858
1966	318	214	800	883	3,530	1,699	344	1,532	1,937	2,417	3,704	1,327	18,028
1967	353	167	761	1,017	3,572	1,827	339	1,636	2,081	2,425	3,876	1,399	18,831
1968	405	215	845	1,081	3,808	1,747	376	1,704	2,168	2,761	3,932	1,518	19,888
1969	360	142	931	1,260	4,086	1,854	474	1,966	2,478	3,247	4,196	1,618	21,574
1970	349	172	884	1,343	3,879	1,800	503	2,111	2,566	3,103	4,311	1,601	21,888
1971	360	153	918	1,404	4,206	2,123	572	2,131	2,631	3,390	4,537	1,526	22,710
1972	355	152	1,023	1,737	4,396	2,096	658	2,320	2,893	4,034	4,813	1,581	24,949
1973	413	168	1,167	1,941	4,986	2,231	758	2,646	3,284	4,795	5,153	1,698	27,871
1974	395	129	1,048	1,580	5,134	2,204	754	3,059	3,751	4,151	5,758	1,830	28,718
1975	440	86	745	1,274	4,493	2,313	779	2,903	3,956	3,934	5,904	2,039	28,426
1976	450	121	987	2,070	5,301	2,628	862	2,917	4,054	4,019	6,159	2,113	30,870
1977	448	139	1,022	1,644	5,476	2,778	960	3,070	4,031	4,385	6,475	2,137	32,363
1978	430	149	1,143	1,486	5,704	2,747	901	3,212	4,060	4,739	6,833	2,253	33,812
1979	507	112	1,242	1,897	5,716	2,839	935	3,602	4,174	5,465	7,018	2,270	35,974
1980	566	104	1,223	1,352	5,805	3,327	1,012	3,816	4,908	5,808	7,620	2,306	37,631
1981	537	145	1,033	1,265	5,609	4,018	1,066	3,956	5,521	5,661	8,413	2,302	39,526
1982	565	156	882	1,122	4,763	3,501	986	3,943	5,127	5,707	8,462	2,396	37,697
1983	575	153	1,308	1,168	5,145	3,700	980	3,853	4,853	5,702	7,883	2,386	38,125
1984[2]	530	120	1,060	1,606	5,459	2,947	1,056	4,138	5,071	5,885	8,245	2,428	39,334
1985[3]	487	234	1,174	1,537	6,047	3,218	1,340	4,571	4,930	6,673	8,493	2,481	41,992
1986[3]	465	181	1,044	1,588	6,060	3,001	1,180	4,648	4,735	7,240	8,612	2,555	42,210
1987[3]	490	173	1,088	1,894	6,778	3,225	1,434	4,720	4,983	8,003	8,776	2,505	44,628
1988[3]	516	203	1,088	1,884	6,940	3,425	1,415	4,874	5,185	8,670	9,310	2,497	46,160
1989[3]	500	210	1,164	1,985	6,859	3,713	1,394	5,184	5,465	9,245	10,204	2,493	48,167

[1] Includes an unallocated residual. Prior to 1981, the total also includes an adjusting entry.

[2] Due to revised Statistics Canada methodology, estimates for 1984 forward are not strictly comparable with prior years.

[3] Subject to revision.

Note: Gross Domestic Product at factor cost equals Gross Domestic Product at market prices less indirect taxes and subsidies.

Source: Ministry of Finance and Corporate Relations.

The Gross Domestic Product by industry tables have not been updated in this publication, because the underlying data were not available at the time of publication. Data in this table are not consistent with the data in Table A1.6, because the 1986 to 1989 data have not been revised, and because the industry data use a 1981 base year, while the income and expenditure accounts data use a 1986 base year.

Table A1.5 British Columbia Nominal Gross Domestic Product (at market prices)

Expenditure Based

Year	Consumer Expenditure									
	Durable Goods	Semi and Non-Durable Goods	Services	Government Expenditure	Government Investment	Residential Construction	Non-Residential Construction	Machinery and Equipment	Business Investment in Inventories	Net Exports[1]
						($ millions)				
1961	313	1,302	1,023	576	186	202	265	263	38	(128)
1962	374	1,383	1,091	594	193	227	256	284	53	(92)
1963	419	1,453	1,188	644	187	266	271	310	48	(91)
1964	482	1,562	1,301	676	187	324	370	438	101	(233)
1965	553	1,689	1,475	741	252	387	535	567	95	(451)
1966	595	1,871	1,609	848	293	408	658	715	130	(589)
1967	645	2,004	1,839	962	306	468	719	664	6	(500)
1968	720	2,167	2,039	1,134	265	541	655	560	53	(345)
1969	827	2,394	2,283	1,314	286	649	718	668	180	(448)
1970	816	2,590	2,494	1,503	272	627	766	738	73	(562)
1971	944	2,843	2,739	1,646	370	788	1,024	909	106	(1,020)
1972	1,142	3,146	3,046	1,878	454	988	831	873	55	(533)
1973	1,425	3,656	3,449	2,147	466	1,245	1,007	1,065	340	(91)
1974	1,698	4,285	4,170	2,752	592	1,475	1,247	1,208	340	(330)
1975	1,853	4,749	4,955	3,429	659	1,621	1,387	1,281	(158)	(290)
1976	2,118	5,290	6,006	3,927	774	1,989	1,454	1,403	268	(239)
1977	2,342	5,888	6,700	4,372	854	2,003	1,630	1,615	104	139
1978	2,554	6,556	7,568	4,995	874	2,082	1,926	1,876	195	106
1979	2,859	7,436	8,558	5,522	868	2,341	2,515	2,505	578	178
1980	3,451	8,543	9,846	6,482	1,014	3,218	3,321	3,099	319	(1,054)
1981	3,948	10,026	11,724	7,737	1,168	4,069	3,973	3,671	(281)	(1,344)
1982	3,238	10,597	13,005	8,986	1,120	2,890	3,508	3,187	(1,110)	694
1983	3,481	11,023	14,288	9,481	1,233	2,984	3,720	2,337	(257)	(139)
1984	3,837	11,836	15,217	9,617	1,310	2,755	3,351	2,460	(27)	763
1985	4,280	12,482	16,568	9,726	1,667	2,885	3,236	2,769	49	837
1986[4]	4,843	13,022	18,621	10,185	1,430	3,137	2,577	2,762	64	701
1987[4]	5,408	13,778	19,594	10,661	1,427	3,894	2,726	3,386	563	1,429
1988[4]	6,094	14,828	21,199	11,218	1,319	4,712	3,372	4,316	349	1,884
1989[4]	6,883	15,952	23,455	11,996	1,899	6,533	3,785	5,068	306	(455)

Source: Ministry of Finance and Corporate Relations.

[1] Includes the residual error of the estimate.

[2] SLI: Supplementary Labour Income.

[3] MII: Miscellaneous Investment Income.

[4] Subject to revision.

Income Based

GDP Expenditure or Income	Wages Salaries and SLI[2]	Corporation Profits	Interest and MIP	Accrued Net Income of Farm Operators	Net Income of Non-Farm Unincorporated Business	Inventory Valuation Adjustment	Capital Consumption Allowances	Indirect Taxes Less Subsidies	Year
				($ millions)					
4,040	2,129	320	172	52	406	(4)	519	446	1961
4,363	2,263	393	193	57	414	(10)	562	491	1962
4,695	2,420	456	223	55	444	(19)	599	517	1963
5,208	2,675	513	249	54	471	(15)	664	597	1964
5,843	3,056	563	280	50	501	(32)	738	687	1965
6,538	3,493	608	297	60	517	(28)	832	759	1966
7,113	3,870	612	331	61	559	(42)	896	826	1967
7,789	4,179	721	382	73	621	(54)	966	901	1968
8,871	4,765	811	480	55	692	(42)	1,081	1,029	1969
9,317	5,168	627	478	52	722	(4)	1,186	1,088	1970
10,349	5,853	724	542	41	746	(109)	1,304	1,248	1971
11,880	6,681	972	664	52	813	(165)	1,438	1,425	1972
14,709	7,969	1,777	906	103	916	(266)	1,685	1,619	1973
17,437	9,667	1,994	1,160	90	960	(344)	2,040	1,870	1974
19,486	11,378	1,794	1,079	71	1,064	(289)	2,278	2,111	1975
22,990	13,171	2,184	1,494	83	1,240	(261)	2,569	2,510	1976
25,647	14,808	2,330	1,818	99	1,323	(385)	2,816	2,838	1977
28,732	16,121	2,988	2,358	112	1,528	(562)	3,159	3,028	1978
33,360	18,215	4,097	3,300	165	1,657	(822)	3,644	3,104	1979
38,239	21,466	3,925	3,698	164	1,847	(649)	4,295	3,493	1980
44,691	25,051	3,158	4,864	70	2,020	(646)	5,009	5,165	1981
46,115	26,070	1,800	5,102	137	2,432	(382)	5,561	5,395	1982
48,151	26,452	2,701	4,840	138	3,017	(288)	5,896	5,395	1983
51,119	27,203	3,287	5,512	142	3,301	(243)	6,220	5,697	1984
54,499	29,094	3,539	5,631	52	3,708	(163)	6,734	5,904	1985
57,342	30,368	4,204	5,672	127	3,976	(249)	7,210	6,034	1986[4]
62,866	32,861	5,924	6,109	170	4,193	(331)	7,459	6,481	1987[4]
69,291	36,225	6,502	7,029	194	4,523	(300)	7,934	7,184	1988[4]
76,332	40,650	5,967	8,366	148	4,828	(218)	8,543	8,048	1989[4]

Table A1.6 British Columbia Real Gross Domestic Product (at market prices)

	Consumer Expenditure										
Year	Durable Goods	Semi and Non-Durable Goods	Services	Government Expenditure	Government Investment	Residential Construction	Non-Residential Construction	Machinery and Equipment	Business Investment in Inventories	Net Exports[1]	GDP Expenditure[2]
						(1986 $ millions)					
1961	735	4,954	5,081	3,772	760	720	1,170	538	94	1,143	17,464
1962	877	5,220	5,284	3,835	777	800	1,116	587	209	1,378	18,618
1963	981	5,401	5,544	4,025	739	915	1,148	630	211	1,352	19,493
1964	1,135	5,751	5,845	4,037	732	1,065	1,549	853	463	891	21,046
1965	1,301	6,170	6,268	4,231	908	1,213	2,131	1,101	432	213	22,808
1966	1,386	6,607	6,687	4,525	1,008	1,213	2,453	1,352	545	(145)	24,602
1967	1,448	6,900	7,030	4,853	1,021	1,298	2,581	1,215	73	352	25,231
1968	1,579	7,196	7,268	5,411	877	1,458	2,332	1,009	200	890	26,290
1969	1,779	7,711	7,578	5,967	908	1,659	2,418	1,177	644	639	28,590
1970	1,713	8,225	7,915	6,010	818	1,534	2,449	1,255	273	680	28,776
1971	1,957	8,917	8,338	5,735	1,047	1,803	3,000	1,503	426	(708)	30,453
1972	2,323	9,444	8,843	6,168	1,233	2,044	2,308	1,382	222	509	32,747
1973	2,838	10,130	9,422	6,540	1,151	2,229	2,534	1,652	875	322	35,861
1974	3,079	10,539	10,298	7,227	1,182	2,300	2,613	1,701	736	(561)	37,382
1975	3,086	10,557	10,770	7,997	1,181	2,254	2,601	1,630	(417)	(347)	37,925
1976	3,357	11,025	11,768	8,154	1,300	2,593	2,572	1,683	670	(428)	40,745
1977	3,585	11,474	12,267	8,401	1,367	2,570	2,740	1,821	180	178	42,554
1978	3,728	11,739	13,062	9,088	1,308	2,586	3,033	2,040	369	(987)	43,852
1979	3,917	12,251	13,924	9,094	1,198	2,694	3,629	2,506	1,063	(2,836)	45,577
1980	4,350	12,758	14,684	9,464	1,285	3,293	4,281	3,180	381	(3,988)	48,694
1981	4,582	13,147	15,588	9,701	1,340	3,822	4,620	3,722	(369)	(2,956)	53,148
1982	3,570	12,522	15,442	9,972	1,199	2,843	3,791	3,010	(1,489)	649	51,010
1983	3,740	12,328	15,839	10,056	1,288	2,969	4,060	2,211	(227)	(210)	51,846
1984	4,048	12,564	16,342	9.993	1,332	2,674	3,561	2,351	(109)	756	53,043
1985	4,465	12,779	17,262	10,083	1,654	2,875	3,329	2,734	125	1,490	56,620
1986[3]	4,843	13,022	18,621	10,185	1,430	3,137	2,577	2,762	64	701	57,342
1987[3]	5,313	13,209	19,071	10,356	1,429	3,723	2,614	3,476	659	371	60,221
1988[3]	5,811	13,717	19,915	10,600	1,287	4,200	3,070	4,549	368	(105)	63,412
1989[3]	6,357	14,234	20,990	10,790	1,804	5,169	3,282	5,268	300	(2,024)	66,171

Source: Ministry of Finance and Corporate Relations.

[1] Includes the residual error of the estimate.

[2] Prior to 1986, the components will not sum to the total since the total includes an adjusting entry.

[3] Subject to revision.

Table A1.7 Capital and Repair Investment

	1989[1]	1990[2]	1991[3]	Change 1989–1990	Change 1990–1991
Capital		($ millions)		(per cent)	
Housing	4,826.9	5,611.3	4,550.1	16.3	−18.9
Transportation, communications and utilities	1,726.3	2,351.6	2,803.5	36.2	19.2
Trade, finance and commercial	3,069.5	3,087.3	3,113.8	0.6	0.9
Primary industries and construction industry	1,570.3	1,492.4	1,512.2	−5.0	1.3
Institutions and government departments	2,111.5	2,414.9	2,823.8	14.4	16.9
Manufacturing	2,620.4	2,754.6	2,344.0	5.1	−14.9
Total	15,924.9	17,712.1	17,147.4	11.2	−3.2
Repair					
Housing	526.8	536.0	563.0	1.7	5.0
Transportation, communications and utilities	1,156.5	1,183.5	1,225.6	2.3	3.6
Trade, finance and commercial	412.9	428.3	411.3	3.7	−4.0
Primary industries and construction industry	1,005.3	959.3	956.5	−4.6	−0.3
Institutions and government departments	905.4	911.1	953.9	0.6	4.7
Manufacturing	1,282.9	1,459.6	1,494.9	13.8	2.4
Total	5,289.8	5,477.8	5,605.2	3.6	2.3
Total, Capital and Repair					
Housing	5,353.7	6,147.3	5,113.1	14.8	−16.8
Transportation, communications and utilities	2,882.8	3,535.1	4,029.1	22.6	14.0
Trade, finance and commercial	3,482.4	3,515.6	3,525.1	1.0	0.3
Primary industries and construction industry	2,575.6	2,451.7	2,468.7	−4.8	0.7
Institutions and government departments	3,016.9	3,326.0	3,777.7	10.2	13.6
Manufacturing	3,903.3	4,214.2	3,838.9	8.0	−8.9
Total	21,214.7	23,189.9	22,752.6	9.3	−1.9

[1] Actual.
[2] Preliminary actual.
[3] Intentions.
Source: Statistics Canada Catalogue 61-205.

Table A1.8 British Columbia Exports by Major Market and Selected Commodities, 1990

Commodity	United States	Japan	European Community	Other Markets	Total — All Countries
			($ millions)		
Lumber (softwood)	1,963.6	1,011.2	604.0	212.8	3,791.6
Pulp	872.7	508.2	1,117.1	582.9	3,080.9
Coal: anthracite, bituminous and lignite	12.6	1,058.9	114.8	361.6	1,547.9
Newsprint	818.4	21.1	58.4	184.1	1,082.1
Copper content in ores and concentrates	0.5	547.4	56.4	144.5	748.8
Unwrought aluminum	34.0	274.3	58.7	172.6	539.5
Paper, paperboard — excluding newsprint	201.2	25.6	92.1	90.5	409.4
Machinery — excluding electrical	265.7	8.4	20.8	95.0	390.0
Chemicals and related products	112.4	72.0	2.9	106.6	293.9
Whole salmon: fresh, chilled or frozen	117.6	128.9	37.3	6.9	290.7
Natural gas	253.2	—	—	—	253.2
Unwrought zinc	125.4	29.4	8.8	49.5	213.2
Cedar shakes and shingles	203.0	0.4	3.7	1.7	208.9
Fish liver and roe	3.0	163.0	2.3	2.8	171.2
Softwood siding, moulding, other milled	165.2	1.1	2.3	1.9	170.4
Salmon: canned, smoked, etc.	4.5	5.1	116.8	30.7	157.1
Pulpwood chips	22.7	113.5	0.0	0.1	136.3
Trucks	129.7	0.1	0.1	2.8	132.7
Electrical, electronic and communications products	88.6	1.4	4.8	28.0	122.8
Gold content in ores and concentrates	0.1	89.2	21.2	4.0	114.6
Logs, poles and pulpwood	23.5	87.2	0.4	2.5	113.5
Electricity	108.0	—	—	—	108.0
Asbestos	2.1	13.1	31.4	54.1	100.7
Plywood, softwood	8.1	17.0	63.0	5.8	93.8
Molybdenum ores and concentrates	—	34.8	27.4	22.8	85.1
Silver in ores and concentrates	—	52.5	22.1	3.1	77.8
Alcoholic beverages	72.1	0.4	0.8	0.0	73.2
Whole fish: fresh, chilled or frozen — excluding salmon	29.5	22.3	1.9	1.5	55.3
Plastics and articles thereof	48.8	0.5	0.5	5.0	54.8
Fruit and nuts	37.2	1.7	6.4	8.4	53.7
Gasoline	43.1	—	—	9.5	52.6
Fuel oils	43.4	2.2	—	4.5	50.2
Apparel and accessories	39.0	2.8	1.3	0.7	43.8
Unwrought lead	17.7	8.0	5.0	8.1	38.9
Ships, boats and floating structures	21.6	2.5	1.2	6.8	32.1
Converted paper	30.0	0.6	0.2	0.7	31.5
Zinc content in ores and concentrates	—	26.1	—	4.8	30.9
Fillet, fish meat: fresh, chilled or frozen — including salmon	25.5	2.3	2.0	0.4	30.2
Cement and clinker	27.4	—	—	—	27.4
Vegetables	13.6	6.6	2.0	1.2	23.3
Water and soft drinks	19.6	1.6	0.1	0.1	21.4
Preparations of vegetables, fruits and nuts	7.5	0.4	4.3	5.6	17.8
Pork: fresh, chilled or frozen	8.7	4.2	—	0.7	13.6
Preparations of cereals	11.1	—	0.1	0.1	11.3
Lead in ores and concentrates	0.3	10.3	0.4	0.0	11.0
Meat: prepared or preserved	9.0	0.4	0.2	0.3	9.9
Fish: canned, smoked, etc. — excluding roe and salmon	0.8	3.6	0.3	0.8	5.5
Beef and veal: fresh, chilled or frozen	1.3	2.6	—	—	3.9
Silver metal	3.6	—	0.1	—	3.7
Gold metal	0.5	—	1.0	—	1.5
Poultry: fresh, chilled or frozen	0.1	—	—	0.2	0.3
Other	932.1	272.7	85.6	225.6	1,516.0
Total[1]	6,979.8	4,635.7	2,580.2	2,452.1	16,647.8

Note: Exports are estimated through all Canadian customs ports.

[1] Totals may not add due to rounding.

Source: Ministry of Finance and Corporate Relations.

Table A1.9 British Columbia Exports by Major Market and Selected Commodity Groups, 1990

Commodity Group	United States		Japan		European Community		Other Markets		Total — All Countries	
	($ millions)	(per cent)	($ millions)	(per cent)	($ millions)	(per cent)	($ millions)	(per cent)	($ millions)	(per cent)
Pulp, wood chips and paper	1,945.1	27.9	669.0	14.4	1,267.7	49.1	858.4	35.0	4,740.2	28.5
Lumber and other wood	2,363.3	33.9	1,116.9	24.1	673.4	26.1	224.6	9.2	4,378.2	26.3
Metallic minerals	182.1	2.6	1,072.1	23.1	201.4	7.8	409.4	16.7	1,864.9	11.2
Coal	12.6	0.2	1,058.9	22.8	114.8	4.4	361.6	14.7	1,547.9	9.3
Machinery and equipment	505.7	7.2	12.4	0.3	26.9	1.0	132.6	5.4	677.6	4.1
Fisheries	181.0	2.6	325.4	7.0	160.5	6.2	43.2	1.8	710.1	4.3
Agri-food	180.5	2.6	17.8	0.4	13.8	0.5	16.5	0.7	228.5	1.4
Other	1,609.6	23.1	363.3	7.8	121.7	4.7	405.9	16.6	2,500.6	15.0
Total[1]	6,979.8	100.0	4,635.7	100.0	2,580.2	100.0	2,452.1	100.0	16,647.8	100.0

Note: Exports are estimated through all Canadian customs ports.

[1] Totals may not add due to rounding.

Source: Ministry of Finance and Corporate Relations.

APPENDIX 2

Financial Review

THE FINANCIAL CYCLE

The annual financial process of the provincial government consists of four main stages.

- **Budget Preparation** — each ministry first identifies activities that require funding and submits a proposed budget for review by Treasury Board or its designate. Decisions are made on individual ministry budgets based on revenue expectations and current government priorities.
- **Implementation** — the budget is presented to the legislative assembly by the Minister of Finance and Corporate Relations and is accompanied by a document called the Estimates. Spending for programs and services under each ministry is grouped in the Estimates into packages or "votes", so called because the legislature debates and then votes approval for each package.

  Throughout the year, the authorized money is spent on government programs and services as specified in the Estimates. Records are maintained of how the money was spent, and the government's financial activities are closely monitored by Treasury Board.
- **Reporting and Evaluation** — at the end of the fiscal year, the Public Accounts are prepared by the Comptroller General and examined by the Auditor General to ensure the financial statements fairly present the government's financial position.
- **Accountability** — the Public Accounts are published and presented to the legislative assembly where they are examined to ensure government spending was in accordance with what was approved.

GOVERNMENT ACCOUNTS

The General Fund, Budget Stabilization Fund and Privatization Benefits Fund form the government's Consolidated Revenue Fund and comprise all money over which the legislature has the power of appropriation.

The government's main operating account for 1990/91 is the General Fund, which includes Special Accounts. All revenue and expenditure are recorded on an accrual basis of accounting, with certain limited exceptions. Assets are recorded on the government's balance sheet only to the extent that they represent financial claims by the government. Similarly, liabilities are recorded only if they represent financial claims against the government. Payments to acquire fixed assets are recorded as expenditure.

PRELIMINARY UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED MARCH 31, 1991

The tables in this appendix include preliminary unaudited financial information of the Government of British Columbia for the year ended March 31, 1991. The information is based on financial statements prepared by the Comptroller General from the accounts of the government.

GLOSSARY OF TERMS[1]

Assets — are financial claims of the government upon outside parties and items held for resale. Specific assets include cash and temporary investments; accounts receivable; investments in and amounts due from Crown corporations and agencies; inventories, loans, advances and other investments; mortgages receivable; fiscal agency loans, and other assets. Fixed assets such as buildings, roads and bridges, furniture and most Crown land are reported at a nominal value of $1 in accordance with government accounting policy.

Budget Stabilization Fund — established effective March 31, 1988, the fund consisted of certain revenues and money set aside through transfers from the General Fund. The fund was designed to act as a fiscal "shock absorber" to help stabilize provincial government revenue. In years of strong revenue growth, transfers were made to the fund from the General Fund. In years of weak revenue growth, revenue was transferred from the Budget Stabilization Fund to the General Fund. The fund was dissolved on April 1, 1991.

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[1] Further information regarding the terms used in the government's financial statements is available in the Public Accounts.

Cash and Temporary Investments — include investments and short-term interest-bearing deposits held to meet the day-to-day obligations of the government.

Consolidated Revenue Fund — is comprised of the General Fund, Budget Stabilization Fund and Privatization Benefits Fund.

Deficit — represents the excess of expenditure over revenue for a given period.

Deferred Revenue — an asset consisting of amounts received prior to the government's fiscal year-end that will be earned and recorded as revenue in future years.

Direct Debt for Government Purposes — consists of funds borrowed by the government to meet its direct financial requirements or to facilitate cash management. In the Public Accounts, this is referred to as public debt issued for government purposes.

Expenditure — consists of obligations incurred by the government for goods, services and grants during the fiscal year. Under the government's accounting policy, expenditure is recorded when the expense is incurred rather than when a cash payment is made.

Expenditure by Function — a system of classifying provincial government expenditures according to the type of service provided, regardless of the ministry delivering the service. Similar services, which are provided by different ministries, are grouped together into classifications called functions. For example, functional health expenditure includes the Substance Abuse Program provided by the Ministry of Labour and Consumer Services and similar services provided by the Community and Family Health Care Program of the Ministry of Health.

Financing/Working Capital Transactions — represent either a source or use of funds and are not considered to be revenue or expenditure. These transactions do not cause a change in the annual surplus (deficit) but only a change in the composition of assets and liabilities. For example, when a loan is made to an individual or firm, the cash balances of the government decline while the balance of loans receivable increases. When the loan is repaid, cash balances increase while loans receivable decrease.

Fiscal Agency Debt — consists of funds borrowed by the provincial government with the proceeds re-lent to Crown corporations and agencies. Because Crown corporations and agencies are responsible for debt servicing costs and repayment of principal, the liability arising from government borrowing on behalf of these bodies is matched by the assets (fiscal agency loans) created when the funds are re-lent to the Crown corporations and agencies. In the Public Accounts, this debt is referred to as public debt issued to finance the Fiscal Agency Loan Program.

Fiscal Year — the provincial government's financial year, which runs from April 1 to March 31.

General Fund — is the operating account of the provincial government and includes Special Accounts. Operating, financing and working capital transactions occur within the General Fund. Operating transactions include direct expenditure on goods and services, transfer payments and grants, and revenue from taxation, royalties, fees, licences and other sources, contributions from government enterprises and the federal government, and transfers from other funds. Various adjustments, such as valuation allowances and other one-time accounting adjustments, are included in operating revenue and expenditure.

General Fund and Special Funds — refers to financial statements that combine the activities of the General Fund, Budget Stabilization Fund and Privatization Benefits Fund.

Guaranteed Debt — consists of borrowing by Crown corporations and agencies, local governments, private sector firms and individuals for which principal, premium and interest are guaranteed or indemnified by the provincial government.

Liabilities — are claims payable by the government to outside parties, including accounts payable and accrued liabilities, amounts due to Crown corporations and agencies, deferred revenue, public debt issued for government purposes and public debt issued to finance the Fiscal Agency Loan Program.

Net Equity (Net Deficiency) — net equity is the excess of financial assets over financial liabilities of the provincial government. A negative net equity is referred to as net deficiency, and indicates that financial liabilities exceed financial assets. The provincial government's annual surplus (deficit) causes a corresponding increase (decrease) in net equity.

Operating Transactions — include revenue and expenditure transactions of the provincial government, reported in accordance with the government's accounting policies.

Privatization Benefits Fund — established effective April 1, 1988, the fund holds in perpetuity the net proceeds of assets disposed of through the provincial government's privatization program in order to earn revenue for the benefit of the province.

Revenue — consists of money earned by the government from taxation, resource levies, the sale of goods and services, fees and licences, fines and penalties, investment income, liquor distribution profits, dividends from Crown corporations, and contributions arising from agreements with other governments. With a few exceptions, under the government's accounting policy revenue is reported when earned rather than when received.

Sinking Funds — are funds set aside to provide for the orderly repayment of debt. The provincial government and Crown corporations establish sinking funds for most long-term debt with terms of five years or more.

Special Accounts — consist of statutory appropriations established by the legislature to fund specific programs, which may extend over several fiscal years. Examples include the Lottery Fund Special Account, the Small Business Forest Enterprise Special Account, the South Moresby Compensation Special Account and the Freedom to Move Special Account. Revenue and expenditure of Special Accounts form part of the provincial government's General Fund.

Special Funds — as of March 31, 1991, these funds included the Budget Stabilization Fund and the Privatization Benefits Fund.

Surplus — represents the excess of revenue over expenditure for a given period.

Trust Funds — include funds held and administered by the government for third parties and not subject to appropriation by the legislature. These funds include trust deposits, superannuation and pension funds, sinking funds and other miscellaneous trust funds.

Valuation Allowances — consist of provisions for doubtful accounts and loan guarantees, and provisions for reduction in the value of investments. Under the government's accounting policy, annual changes in valuation allowances are recorded as expenditure adjustments. Valuation allowances do not include adjustments for tax credits or reassessments.

Table A2.1 General Fund and Special Funds Balance Sheet at March 31

	1987	1988	1989	1990	1991[1]
	($ millions)				
ASSETS					
Cash and temporary investments	103.7	109.7	678.4	400.4	125.6
Accounts receivable	789.6	809.1	929.7	1,025.7	1,225.5
Inventories	52.6	59.8	68.4	54.9	47.4
Investments in and amounts due from Crown corporations and agencies	1,055.8	1,020.3	618.5	663.5	618.9
Loans, advances and other investments	154.2	163.0	592.0	774.7	878.7
Mortgages receivable	299.6	322.7	417.7	135.5	143.7
Fiscal Agency Loan Program	2,216.6	2,623.2	3,811.3	4,913.7	6,228.8
Other assets	121.7	166.7	30.4	24.9	37.3
	4,793.8	**5,274.5**	**7,146.4**	**7,993.3**	**9,305.9**
LIABILITIES					
Accounts payable and accrued liabilities	852.9	940.8	1,024.7	1,069.1	1,127.4
Due to Crown corporations, agencies and trust funds	421.9	198.7	161.5	196.9	229.7
Deferred revenue	213.0	255.6	252.8	269.3	266.4
Public debt issued for government purposes	4,801.9	5,016.7	4,919.2	4,208.6	4,725.9
Public debt issued to finance Fiscal Agency Loan Program	2,216.6	2,623.2	3,813.1	4,916.5	6,232.9
	8,506.3	**9,035.0**	**10,171.3**	**10,660.4**	**12,582.3**
NET EQUITY (DEFICIENCY)					
General Fund	(3,712.5)	(4,503.4)	(4,824.5)	(4,687.9)	(4,588.5)
Budget Stabilization Fund	—	742.9	1,491.1	1,599.9	838.5
Privatization Benefits Fund	—	—	308.5	420.9	473.6
	(3,712.5)	**(3,760.5)**	**(3,024.9)**	**(2,667.1)**	**(3,276.4)**
TOTAL LIABILITIES AND NET EQUITY	**4,793.8**	**5,274.5**	**7,146.4**	**7,993.3**	**9,305.9**
GUARANTEED DEBT	**10,080.3**	**9,326.1**	**7,677.9**	**7,083.5**	**6,242.7**
TRUST FUNDS	**14,470.3**	**15,943.1**	**18,226.9**	**20,492.0**	**23,105.0**

[1] Unaudited.

Table A2.2 General Fund and Special Funds Summary of Operating Transactions for Fiscal Years Ended March 31[1]

	1987	1988	1989	1990	1991[2]
			($ millions)		
General Fund:					
Opening balance	(2,551.8)	(3,712.5)	(4,503.4)	(4,824.5)	(4,687.9)
Total Revenue	9,432.2	10,972.4	12,222.0	13,451.1	14,354.5
Transfer (to) from Budget Stabilization Fund	—	(717.4)	(591.9)	52.2	926.0
General Fund Revenue	9,432.2	10,255.0	11,630.1	13,503.3	15,280.5
General Fund Expenditure	10,592.9	11,045.9	11,951.2	13,366.7	15,181.1
General Fund Surplus (Deficit)	(1,160.7)	(790.9)	(321.1)	136.6	99.4
Closing balance	(3,712.5)	(4,503.4)	(4,824.5)	(4,687.9)	(4,588.5)
Budget Stabilization Fund:					
Opening balance		—	742.9	1,491.1	1,599.9
Transfer (to) from General Fund		717.4	591.9	(52.2)	(926.0)
Interest earnings		—	77.3	161.0	164.6
Lottery funds transferred from General Fund		25.5	79.0	—	—
Closing balance		742.9	1,491.1	1,599.9	838.5
Privatization Benefits Fund:					
Opening balance			—	308.5	420.9
Privatization proceeds			308.5	84.9	22.3
Investment earnings			12.9	39.1	30.4
Investment earnings transferred to General Fund			(12.9)	(11.6)	—
Closing balance			308.5	420.9	473.6

[1] Restated to reflect the government's accounting policy at March 31, 1991.

[2] Unaudited.

Table A2.3 General Fund and Special Funds Financing Summary for Fiscal Years Ended March 31[1]

	1987	1988	1989	1990	1991[2]
			($ millions)		
Financial Requirements:					
General Fund Deficit (Surplus)	1,160.7	790.9	321.1	(136.6)	(99.4)
Budget Stabilization Fund decrease (increase)	—	(742.9)	(748.2)	(108.8)	761.4
Privatization Benefits Fund decrease (increase)	—	—	(308.5)	(112.4)	(52.7)
Net disbursements (receipts) from financing and working capital transactions	567.9	160.8	69.4	(74.8)	182.8
Total Financial Requirements	**1,728.6**	**208.8**	**(666.2)**	**(432.6)**	**792.1**
Financial Sources:					
Net borrowing (retirement) for government purposes	1,604.8	214.8	(97.5)	(710.6)	517.3
Decrease (increase) in cash and temporary investments	123.8	(6.0)	(568.7)	278.0	274.8
Total Financial Sources	**1,728.6**	**208.8**	**(666.2)**	**(432.6)**	**792.1**

[1] Restated to reflect the government's accounting policy at March 31, 1991.

[2] Unaudited.

Table A2.4 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1991[1]

	Budget 1990/91	Other Authorizations	Total Authorizations	Preliminary Actual 1990/91	Net Under Expenditure[2]
			($ millions)		
Legislation	19.3				
Statutory		0.2	19.5	19.5	—
Auditor General	6.1		6.1	5.9	0.2
Ombudsman	3.1		3.1	3.1	—
Office of the Premier and Executive Council Operations	3.8		3.8	3.7	0.1
Advanced Education, Training and Technology	1,122.0				
Valuation Allowance		12.5			
Insurance and Risk Management		(0.4)	1,134.1	1,106.0	28.1
Agriculture and Fisheries	92.3				
Okanagan Valley Tree Fruit Authority		1.7			
Farm Products Loan Guarantee Payout		1.6	95.6	84.4	11.2
Attorney General	261.6				
Crown Proceeding Act		0.6			
Unclaimed Monies Act		0.4			
Office of the Public Trustee		0.1			
Valuation Allowance		5.5	268.2	268.2	—
Crown Lands	40.2				
Crown Land Special Account		3.6	43.8	43.5	0.3
Education	3,021.8				
Insurance and Risk Management		(1.4)	3,020.4	2,981.3	39.1
Energy, Mines and Petroleum Resources	65.9				
Interest on Revenue Refunds		0.3			
Mines Improvement		0.1	66.3	43.1	23.2
Environment	116.9				
Sumac Mine		0.5			
Valuation Allowance		(0.2)	117.2	106.0	11.2
Finance and Corporate Relations	98.4				
Interest on Revenue Refunds		2.3			
Provincial Treasury Operations		2.0			
Loan Administration Fee		1.9			
British Columbia Securities Commission		0.1			
Insurance and Risk Management		0.1			
Valuation Allowance		14.9	119.7	105.9	13.8
Forests	372.6				
Fire Suppression Program		37.6			
Valuation Allowance		6.5			
Other		4.2	420.9	416.3	4.6
Government Management Services	37.0				
Queen's Printer Act		0.5	37.5	32.6	4.9
Health	4,802.7				
Medical Services Plan — Special Warrant		113.1			
Pharmacare — Special Warrant		29.5			
Valuation Allowance		1.5	4,946.8	4,928.2	18.6
International Business and Immigration	32.9		32.9	31.3	1.6
Labour and Consumer Services	81.8		81.8	78.2	3.6
Municipal Affairs, Recreation and Culture	416.9		416.9	362.2	54.7
Native Affairs	5.5		5.5	4.7	0.8
Parks	37.1		37.1	35.9	1.2
Provincial Secretary	23.1				
Election Act		1.7			
Royal Commission on Health Care		2.1			
Royal Commission on Fraser Valley		0.7			
Royal Commission on B.C. Tree Fruit Industry		0.2			
Royal Commission — Reid Inquiry		0.2			
Conflict of Interest Act		0.1	28.1	27.8	0.3

Table A2.4 General Fund Expenditure by Appropriation for the Fiscal Year Ended March 31, 1991[1] — *Continued*

	Budget 1990/91	Other Authorizations	Total Authorizations	Preliminary Actual 1990/91	Net Under Expenditure[2]
			($ millions)		
Regional and Economic Development	81.1				
Mission Cyrus Corporation Payout		2.3			
Valuation Allowance		(0.5)	82.9	76.2	6.7
Social Services and Housing	1,710.2				
Income Assistance Programs — Special Warrant		90.0	1,800.2	1,740.1	60.1
Solicitor General	376.7				
Criminal Injury Compensation Act		4.6			
Flood Relief		29.6			
Valuation Allowance		0.3	411.2	406.6	4.6
Tourism	24.9		24.9	24.1	0.8
Transportation and Highways	1,216.9		1,216.9	1,183.2	33.7
Other Appropriations:					
Management of Public Funds and Debt	646.0				
Statutory — Additional Interest Expenditure		53.6	699.6	699.6	—
Contingencies and New Programs	65.0		65.0	49.1	15.9
Lottery Fund Special Account	150.0		150.0	106.4	43.6
South Moresby Implementation — Forestry Compensation	34.9		34.9	0.6	34.3
Sustainable Environment Fund	293.3		293.3	198.9	94.4
Employee Leave Liability and Pension Chargeback Adjustments	—	17.6	17.6	8.5	9.1
GENERAL FUND EXPENDITURE	**15,260.0**	**441.8**	**15,701.8**	**15,181.1**	**520.7**

[1] Unaudited.

[2] Total authorizations less preliminary actual.

Table A2.5 General Fund Expenditure by Objects of Expenditure Classification (Grouped) for the Fiscal Year Ended March 31, 1991[1]

Ministry	Salaries and Benefits	Operating Costs	Asset Acquisitions	Grants and Contributions	Other Expenditures	Less: Recoveries	Total Expenditures
				($ millions)			
Legislation	9.9	4.4	0.3	0.1	4.8	0.0	19.5
Auditor General	4.8	1.0	0.1	0.0	0.0	0.0	5.9
Ombudsman	2.4	0.6	0.1	0.0	0.0	0.0	3.1
Office of the Premier and Executive Council Operations	2.9	0.7	0.1	0.0	0.0	0.0	3.7
Advanced Education, Training and Technology	14.8	12.5	1.3	1,056.8	24.7	(4.1)	1,106.0
Agriculture and Fisheries	19.6	13.4	1.3	33.7	27.8	(11.4)	84.4
Attorney General	101.9	108.2	8.3	42.2	7.9	(0.3)	268.2
Crown Lands	21.0	18.6	1.6	0.0	5.6	(3.3)	43.5
Education	16.8	45.7	2.0	2,977.6	0.0	(60.8)	2,981.3
Energy, Mines and Petroleum Resources	19.6	14.1	3.5	9.4	0.0	(3.5)	43.1
Environment	59.2	52.4	8.7	2.1	0.0	(16.4)	106.0
Finance and Corporate Relations	52.5	40.8	3.3	1.3	23.9	(15.9)	105.9
Forests	161.8	226.5	20.6	3.5	6.5	(2.6)	416.3
Government Management Services	231.6	57.2	(2.7)	1.2	40.1	(294.8)	32.6
Health	225.2	127.9	8.4	4,615.8	2.9	(52.0)	4,928.2
International Business and Immigration	7.2	8.9	1.0	14.9	0.0	(0.7)	31.3
Labour and Consumer Services	35.6	17.0	2.2	31.7	0.0	(8.3)	78.2
Municipal Affairs, Recreation and Culture	35.1	20.7	2.2	306.5	0.0	(2.3)	362.2
Native Affairs	1.5	0.9	0.1	2.2	0.0	0.0	4.7
Parks	15.9	18.7	1.7	0.1	0.0	(0.5)	35.9
Provincial Secretary	9.1	18.2	0.9	0.2	0.2	(0.8)	27.8
Regional and Economic Development	26.2	24.5	1.1	8.8	16.1	(0.5)	76.2
Social Services and Housing	170.6	70.7	5.0	1,497.5	0.0	(3.7)	1,740.1
Solicitor General	135.5	126.6	12.4	154.8	(1.2)	(21.5)	406.6
Tourism	3.8	10.3	0.1	10.7	0.0	(0.8)	24.1
Transportation and Highways	118.8	482.7	362.0	237.4	0.5	(18.2)	1,183.2
Other Appropriations	2.8	168.8	5.6	123.7	1,471.6	(709.4)	1,063.1
Inter-ministry recoveries[2]	(204.0)	(22.8)	(8.9)	(5.5)	(49.6)	290.8	0.0
General Fund Expenditure	1,302.1	1,669.2	442.3	11,126.7	1,581.8	(941.0)	15,181.1
Comparative—1990 Expenditure[3]	1,186.3	1,528.9	411.1	9,551.5	1,393.0	(704.1)	13,366.7

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[1] Unaudited.

[2] Recoveries between ministries are eliminated to prevent the double counting of expenditures.

[3] Restated to reflect the government's accounting policy at March 31, 1991. Ministry of Education expenditure for 1989/90 excludes the comparative adjustment of $400 million for residential (school purpose) property tax. Prior to 1990/91, this expenditure was funded directly from residential school property taxes collected by municipalities on behalf of school districts.

Table A2.6 General Fund Revenue by Source for Fiscal Years Ended March 31

	1987	1988	1989	1990	1991[1]
			($ millions)		
Taxation Revenue					
Personal income	2,248.1	2,790.0	2,995.3	3,451.6	4,140.1
Corporation income	280.6	473.4	600.3	666.3	607.5
Social service	1,551.0	1,467.4	1,717.8	1,989.6	2,009.6
Fuel	375.6	450.4	465.1	502.3	555.0
Tobacco	214.2	228.7	262.2	308.0	346.5
Property — residential (school purpose)[2]	—	—	—	—	301.3
Property — business (school purpose)[3]	478.4	449.3	491.8	522.5	554.5
Property — rural areas	35.8	42.8	44.7	53.8	52.4
Property purchase	0.7	140.1	248.6	317.4	211.4
Corporation capital	87.2	56.8	13.8	4.0	10.2
Insurance premiums	34.7	54.2	82.3	95.0	104.1
Hotel room	41.5	40.0	45.4	53.3	57.0
Horse racing	6.7	6.7	5.7	6.1	6.1
Succession and gift	—	—	—	0.1	—
Total Taxation Revenue[4]	5,354.5	6,199.8	6,973.0	7,970.0	8,955.7
Natural Resource Revenue					
Minerals					
Petroleum and natural gas					
Natural gas royalties	57.2	53.7	55.7	62.8	74.5
Permits and fees	68.1	92.6	146.1	121.6	157.4
Petroleum royalties	45.0	51.8	38.4	42.8	47.8
Revenue from other minerals	55.6	53.6	74.9	73.3	45.0
	225.9	251.7	315.1	300.5	324.7
Forests					
Logging tax	8.8	31.6	50.1	45.7	27.8
Timber sales	103.4	350.5	423.3	453.5	418.8
Small Business Forest Enterprise Program	29.0	47.2	134.4	147.3	111.5
Timber royalties	13.1	26.7	62.1	42.2	32.2
Lumber export tax	21.3	279.0	5.8	—	1.5
Other forests revenue	9.7	9.6	12.5	10.1	17.5
	185.3	744.6	688.2	698.8	609.3
Water resources	235.6	215.0	255.5	236.1	221.9
Wildlife Act — fees and licences	10.8	11.7	12.6	13.8	14.4
Total Natural Resource Revenue[4]	657.6	1,223.0	1,271.4	1,249.2	1,170.3
Other Revenue					
Fees and Licences					
Medical Services Plan premiums[3]	382.3	422.2	580.8	641.0	660.3
Lottery Fund Special Account[5]	159.3	161.2	181.0	195.8	205.3
Motor vehicle licences and permits	129.0	136.8	192.7	182.8	199.0
Ministry of Attorney General fees	46.7	27.1	46.9	47.4	52.1
Real estate earnings of the Crown Land and Social Housing Special Accounts	25.2	28.7	50.8	60.0	40.2
Corporate, Personal Property and Manufactured Home Registries fees	16.1	19.7	24.4	26.7	23.9
Ministry of Health fees	13.5	13.9	19.2	22.1	23.3
Farm Income Assurance Fund Special Account	16.0	12.1	13.3	17.0	11.0
Coquihalla highway tolls	11.1	15.0	18.4	21.2	24.0
Other fees and licences[6]	54.7	64.1	61.8	77.5	75.5
	853.9	900.8	1,189.3	1,291.5	1,314.6
Investment earnings	53.2	68.3	133.8	166.6	110.3

Table A2.6 General Fund Revenue by Source for Fiscal Years Ended March 31 — *Continued*

	1987	1988	1989	1990	1991[1]
			($ millions)		
Miscellaneous					
Fines and penalties	18.9	25.1	29.2	44.7	70.2
Maintenance of children	14.1	16.5	15.9	16.9	17.4
Insurance claim receipts	10.6	11.8	13.8	12.4	14.4
Other miscellaneous	28.5	37.4	38.3	66.8	111.2
	72.1	90.8	97.2	140.8	213.2
Total Other Revenue[4]	979.2	1,059.9	1,420.3	1,598.9	1,638.1
Contributions from Government Enterprises					
Liquor Distribution Branch	424.8	425.0	424.6[7]	419.6	446.7
British Columbia Hydro and Power Authority	—	—		101.1	114.2
British Columbia Buildings Corporation	2.6	23.0	22.7	1.4	21.9
British Columbia Railway Company	10.3	20.6	—	10.3	20.6
British Columbia Petroleum Corporation	—	—		—	20.0
Other contributions	9.9	1.2	0.1	—	5.8
Total Contributions from Government Enterprises	447.6	469.8	447.4	532.4	629.2
Contributions from the Federal Government					
Established Programs Financing	1,205.3	1,215.3	1,230.2	1,239.8	1,110.3
Canada Assistance Plan	611.3	631.0	667.8	686.5	715.9
National Training Act	42.3	38.7	33.5	31.7	30.8
Economic development	22.6	35.8	48.2	42.0	17.5
South Moresby implementation	—	—	34.1	—	—
Transportation and highways	15.4	17.1	21.6	21.4	26.5
Public Utilities Income Tax Transfer Act	—	10.0	16.0	9.8	1.4
Reciprocal Taxation Agreement	21.1	24.1	20.5	21.5	14.0
Vocational rehabilitation of disabled persons	16.0	11.6	17.4	14.4	18.1
Other payments	59.3	36.3	20.6	33.5	26.7
Total Contributions from the Federal Government	1,993.3	2,019.9	2,109.9	2,100.6	1,961.2
Total Revenue	9,432.2	10,972.4	12,222.0	13,451.1	14,354.5
Transfer (to) from the Budget Stabilization Fund	—	(717.4)	(591.9)	52.2	926.0
Total General Fund Revenue	**9,432.2**	**10,255.0**	**11,630.1**	**13,503.3**	**15,280.5**

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[1] Unaudited.

[2] General Fund revenue for 1989/90 excludes the comparative adjustment of $400 million for residential (school purpose) property tax. Prior to 1990/91, this revenue was collected by municipalities on behalf of school districts.

[3] For comparative purposes, revenue for 1987/88 and earlier has been restated to include business (school purpose) property tax and Medical Services Plan premiums, which are included in General Fund revenue beginning in 1988/89. Previously, this revenue was deducted from expenditure.

[4] Historical figures have been restated to include valuation allowances, such as provisions for doubtful accounts, which are recorded as expenditure adjustments. Previously, these allowances were deducted from revenue.

[5] Excludes public gaming licence fees which are included in other fees and licences.

[6] For comparative purposes, revenue for 1989/90 and earlier has been restated to include recoveries by the Securities Commission and Provincial Treasury Special Accounts which are included as revenue in 1990/91. Previously, this revenue was deducted from expenditure.

[7] Includes a one-time accounting adjustment of $8.4 million resulting from an accounting policy change.

Table A2.7 General Fund Expenditure by Function for Fiscal Years Ended March 31[1]

	1987	1988	1989	1990	1991[2]
Health			($ millions)		
Hospital care	1,726.9	1,881.7	2,059.2	2,294.0	2,549.4
Medical care	1,243.3	1,272.0	1,375.0	1,532.6	1,692.5
Preventive care	407.1	457.7	514.3	606.0	707.2
Other health	68.4	72.7	63.7	69.1	78.0
Total health care	**3,445.7**	**3,684.1**	**4,012.2**	**4,501.7**	**5,027.1**
Social services					
Social assistance	1,051.2	1,080.4	1,155.6[3]	1,165.7	1,300.6
Child welfare	102.7	116.0	115.8	142.9	161.0
Other social services	143.9	152.4	171.1	195.7	212.0
Total social services	**1,297.8**	**1,348.8**	**1,442.5**	**1,504.3**	**1,673.6**
Education					
Elementary and secondary	1,721.6	1,814.6	1,969.2	2,207.2[4]	2,967.9
Post secondary	673.7	751.4	860.3	913.1	1,029.8
Other education	68.6	62.2	50.9	60.8	60.9
Total education	**2,463.9**	**2,628.2**	**2,880.4**	**3,181.1**	**4,058.6**
Protection of persons and property					
Law enforcement	181.4	197.4	205.4	232.7	268.9
Police protection	87.1	95.4	103.8	111.8	117.5
Corrections	118.9	125.7	138.1	157.6	178.2
Other protection and regulation	80.0	83.7	94.7	111.2	160.5
Total protection of persons and property	**467.4**	**502.2**	**542.0**	**613.3**	**725.1**
Transportation					
Road and air	884.7	690.6	584.1	891.3	958.7
Ferries	77.0	61.8	71.0	104.3	4.8
Railways	(217.0)[5]	15.7	16.0	21.1	8.1
Public transit	160.8	159.6	173.2	182.2	216.1
Total transportation	**905.5**	**927.7**	**844.3**	**1,198.9**	**1,187.7**
Natural resources and economic development					
Forests (includes firefighting)	321.6	410.6	481.5	539.6	574.0
Minerals and mines	32.7	31.5	29.0	33.1	43.5
Environment and agriculture	169.9	168.0	200.1	256.7	272.5
Fish and game	23.0	26.3	28.3	27.0	15.2
Trade and industry	218.3[6]	102.7	158.7	149.3	158.6
Total natural resources and economic development	**765.5**	**739.1**	**897.6**	**1,005.7**	**1,063.8**
Other expenditure					
Local government	231.8	243.2	245.8	302.3	345.0
Housing support	55.8	28.6	35.7	53.1	37.5
Recreation and culture	351.2	134.5	133.7	99.8	124.0
Total other expenditure	**638.8**	**406.3**	**415.2**	**455.2**	**506.5**
General government					
Administration	213.2	243.0	214.9	217.7	223.4
Legislature	11.5	15.7	15.9	17.6	19.5
Total general government	**224.7**	**258.7**	**230.8**	**235.3**	**242.9**
Debt servicing	383.6	525.3	529.9	510.2	531.2
Interest paid to Budget Stabilization Fund	—	—	77.3	161.0	164.6
Transfer to Budget Stabilization Fund	—	25.5	79.0	—	—
Total General Fund Expenditure	**10,592.9**	**11,045.9**	**11,951.2**	**13,366.7**	**15,181.1**

[1] Expenditure by function has been restated to conform more closely to the presentation used by Statistics Canada.

[2] Unaudited.

[3] Social assistance costs for 1988/89 contain a one-time accounting adjustment of $31.4 million.

[4] Education expenditure for 1989/90 excludes the comparative adjustment of $400 million for residential (school purpose) property tax. Prior to 1990/91, this expenditure was funded directly from residential school property taxes collected by municipalities on behalf of school districts.

[5] Includes a positive valuation adjustment of $231 million for the British Columbia Railway Company.

[6] Includes a negative valuation adjustment of $142 million for the British Columbia Enterprise Corporation.

Table A2.8 Historical General Fund and Special Funds Revenue by Source for Fiscal Years Ending March 31

Year	Taxation	Natural Resource	Other Revenue	Contributions From Government Enterprises	Contributions From the Federal Government	Total
			($ millions)			
1978	2,308.9	626.7	540.2	188.6	707.4	4,371.8
1979	2,531.8	806.5	477.9	218.4	818.1	4,852.7
1980	2,701.4	1,329.9	593.2	241.1	994.4	5,860.0
1981[1]	2,967.0	988.2	717.0	314.0	1,098.6	6,084.8
1981[1]	3,008.6	861.9	742.5	293.1	1,076.5	5,982.6
1982	4,216.7	597.6	916.2	326.5	1,082.3	7,139.3
1983	4,707.5	542.5	874.6	337.9	1,215.6	7,678.1
1984	4,705.4	678.7	793.2	351.5	1,772.7	8,301.5
1985	5,015.3	720.9	886.0	360.3	1,791.0	8,773.5
1986[2]	5,237.2	703.7	965.3	398.4	1,825.6	9,130.2
1987	5,354.5	657.6	979.2	447.6	1,993.3	9,432.2
1988	6,199.8	1,223.0	1,059.9	469.8	2,019.9	10,972.4
1989	6,973.0	1,271.4	1,728.8	447.4	2,109.9	12,530.5
1990[3]	7,970.0	1,249.2	1,711.3	532.4	2,100.6	13,563.5
1991[4]	8,955.7	1,170.3	1,690.8	629.2	1,961.2	14,407.2

[1] During 1980/81, the provincial government changed from a cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1980/81.

[2] Revenue has been restated to include valuation allowances from 1985/86 and other one-time accounting adjustments.

[3] Revenue for 1989/90 excludes the comparative adjustment of $400 million for residential (school purpose) property tax. Previously, this revenue was collected by municipalities on behalf of school districts.

[4] Unaudited.

Table A2.9 Historical General Fund and Special Funds Expenditure by Function for the Fiscal Years Ending March 31

Year	Health	Social Services	Education	Transportation	Public Debt Interest	Other	Total
				($ millions)			
1978	1,681.4		949.7	473.5	22.5	1,040.7	4,167.8
1979	1,859.0		1,043.1	512.5	23.7	1,143.9	4,582.2
1980	2,171.1		1,189.7	534.2	21.7	1,401.5	5,318.2
1981	2,681.0		1,322.2	558.9	45.4	1,849.1	6,456.6
1981[1]	2,727.7		1,320.3	660.9	19.3	1,511.2	6,239.4
1982	3,173.2		1,556.7	755.5	16.9	1,821.1	7,323.4
1983	3,776.5		2,505.9	623.6	28.3	1,728.0	8,662.3
1984	4,256.9		2,382.3	831.7	112.6	1,730.1	9,313.6
1985[2]	3,041.8	1,266.5	2,421.1	1,263.0	274.6	1,500.4	9,767.4
1986[3]	3,161.3	1,297.6	2,354.9	1,156.5	341.9	1,784.5	10,096.7
1987[4]	3,445.7	1,297.8	2,463.9	905.5	383.6	2,096.4	10,592.9
1988	3,684.1	1,348.8	2,628.2	927.7	525.3	1,906.3	11,020.4
1989	4,012.2	1,442.5	2,880.4	844.3	529.9	2,085.6	11,794.9
1990	4,501.7	1,504.3	3,181.1[5]	1,198.9	510.2	2,309.5	13,205.7
1991[6]	5,027.1	1,673.6	4,058.6	1,187.7	531.2	2,538.3	15,016.5

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[1] During 1980/81 the provincial government changed from the cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1980/81.

[2] Figures for 1984/85 onwards have been restated to conform more closely to the presentation used by Statistics Canada.

[3] Expenditure for 1985/86 onwards has been restated to include valuation allowances.

[4] Expenditure for 1986/87 onwards has been restated to reflect the government's accounting policy at March 31, 1991.

[5] Education expenditure for 1989/90 excludes the comparative adjustment of $400 million for residential (school purpose) property tax. Prior to 1990/91, this expenditure was funded directly from residential school property taxes collected by municipalities on behalf of school districts.

[6] Unaudited.

Table A2.10 Historical Summary of Financial Transactions for the Fiscal Years Ending March 31 (General Fund and Special Funds)

Year	Revenue	Expenditure	(Surplus) Deficit	Disbursements (Receipts) from Financing/ Working Capital Transactions	Total Financial Requirements (Sources)	Net Borrowing (Retirement) for Government Purposes	(Increase) Decrease In Cash and Temporary Investments[1]
				($ millions)			
1967	731.6	660.5	(71.1)	10.8	(60.3)	—	(60.3)
1968	814.4	758.6	(55.8)	(5.3)	(61.1)	—	(61.1)
1969	1,017.5	959.9	(57.6)	(11.8)	(69.4)	—	(69.4)
1970	1,248.3	1,244.7	(3.6)	9.3	5.7	—	5.7
1971	1,373.3	1,274.1	(99.2)	20.1	(79.1)	—	(79.1)
1972	1,557.4	1,473.9	(83.5)	22.8	(60.7)	—	(60.7)
1973	1,772.3	1,675.5	(96.8)	13.0	(83.8)	—	(83.8)
1974	2,217.2	2,071.3	(145.9)	(22.9)	(168.8)	—	(168.8)
1975	2,769.4	2,779.2	9.8	98.6	108.4	—	108.4
1976	3,124.1	3,534.4	410.3	(96.6)	313.7	—	313.7
1977	3,785.4	3,691.1	(94.3)	150.1	55.8	261.4	(205.6)
1978	4,371.8	4,167.8	(204.0)	(54.2)	(258.2)	—	(258.2)
1979	4,852.7	4,582.2	(270.5)	26.3	(244.2)	—	(244.2)
1980	5,860.0	5,318.2	(541.8)	85.0	(456.8)	(26.1)	(430.7)
1981	6,084.8	6,456.6	371.8	(88.5)	283.3	(26.1)	309.4
1981[2]	5,982.6	6,239.4	256.8	30.1	286.9	(26.1)	313.0
1982	7,139.3	7,323.4	184.1	(159.3)	24.8	(26.1)	50.9
1983	7,678.1	8,662.3	984.2	265.3	1,249.5	700.0	549.5
1984	8,301.5	9,313.6	1,012.1	(223.5)	788.6	713.0	75.6
1985	8,773.5	9,767.4	993.9	(111.3)	882.6	879.8	2.8
1986[3]	9,130.2	10,096.7	966.5	(105.7)	860.8	721.2	139.6
1987	9,432.2	10,592.9	1,160.7	567.9	1,728.6	1,604.8	123.8
1988	10,972.4	11,020.4	48.0	160.8	208.8	214.8	(6.0)
1989	12,530.5	11,794.9	(735.6)	69.4	(666.2)	(97.5)	(568.7)
1990[4]	13,563.5	13,205.7	(357.8)	(74.8)	(432.6)	(710.6)	278.0
1991[5]	14,407.2	15,016.5	609.3	182.8	792.1	517.3	274.8

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[1] The definition of items classified as cash and temporary investments has changed over time. The table reports the change in cash and temporary investments based on the accounting classifications used during the year reported.

[2] During 1980/81 the provincial government changed from a cash basis to an accrual basis of accounting; for comparative purposes both versions are shown for 1980/81.

[3] Revenue and expenditure for 1985/86 onwards have been restated to include valuation and other one-time accounting adjustments.

[4] Revenue and expenditure for 1989/90 exclude the comparative adjustment of $400 million for residential (school purpose) property tax. Prior to 1990/91, this expenditure was funded directly from residential school property taxes collected by municipalities on behalf of school districts.

[5] Unaudited.

Table A2.11 Government and Crown Corporation Net Debt Summary for Years Ending March 31[1]

	1987	1988	1989	1990	1991
			($ millions)		
Government Purpose	4,801.9	5,016.7	4,919.2	4,208.6	4,725.9
Crown Corporation Net Debt					
Commercial:					
British Columbia Enterprise Corporation	43.3	167.2	38.6	—	—
British Columbia Hydro and Power Authority	8,120.3	7,683.3	7,060.3	7,076.3	7,151.9
British Columbia Petroleum Corporation	30.0	—	—	—	—
British Columbia Railway Company	287.6	298.3	297.5	258.3	287.0
	8,481.2	8,148.8	7,396.4	7,334.6	7,438.9
Economic Development:					
British Columbia Ferry Corporation	84.6	77.6	75.2	67.6	59.8
British Columbia Transit	1,009.3	1,105.3	1,137.4	1,176.8	1,227.6
Expo 86 Corporation	98.6	—	—	—	—
Other[2]	98.0	9.8	0.9	2.4	9.2
	1,290.5	1,192.7	1,213.5	1,246.8	1,296.6
Social and Government Services:					
British Columbia Assessment Authority	4.5	4.3	4.8	4.3	6.4
British Columbia Buildings Corporation	378.2	390.1	423.7	504.3	514.3
British Columbia Educational Institutions Capital Financing Authority	373.3	362.0	376.9	425.2	480.7
British Columbia Regional Hospital Districts Financing Authority	681.3	716.1	763.0	788.7	916.4
British Columbia School Districts Capital Financing Authority	831.0	825.9	808.7	794.2	952.7
Capital Project Certificate of Approval Program[3]	63.3	90.0	136.6	196.5	174.5
British Columbia Systems Corporation	43.1	46.5	40.0	36.2	33.8
Other	—	—	—	55.2	—
	2,374.7	2,434.9	2,553.7	2,804.6	3,078.8
Other:					
B.C. Gas	—	—	150.0	149.9	44.7
Universities and student assistance loans	71.3	82.2	112.6	144.7	160.0
British Columbia Home Mortgage Assistance and Second Mortgage Programs	—	—	—	305.7	328.1
Greater Vancouver Sewerage and Drainage District	29.7	29.1	28.3	27.4	26.4
Greater Vancouver Water District	19.8	19.7	19.9	19.9	62.0
Other[4]	46.7	50.1	25.2	27.8	45.5
	167.5	181.1	336.0	675.4	666.7
Less Amounts held as investments/cash for relending by General and Special Funds	17.0	8.2	8.6	61.1	5.4
Total Guaranteed and Direct Debt	**17,098.8**	**16,966.0**	**16,410.2**	**16,208.9**	**17,201.5**

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[1] Net debt is after deduction of sinking funds. Government purpose and fiscal agency debt excludes accrued interest, which is reported in the government's accounts as an account payable. Guaranteed debt excludes accrued interest.

[2] Includes British Columbia Development Corporation, British Columbia Housing and Employment Development Financing Authority, British Columbia Steamship Company (1975) Ltd., British Columbia Trade Development Corporation and W.L.C. Developments Ltd.

[3] Short-term borrowings obtained by financing authorities under the Certificate of Approval Program are used for interim financing of capital construction and are eventually converted to long-term debt.

[4] Includes *Municipalities Assistance Act, Municipal Act, Agricultural Credit Act, Farm Product Industry Act*, Science World, financing to local governments and loan guarantees to private sector firms. Includes loan guarantee provisions.

Table A2.12 Historical Government and Crown Corporation Net Debt Summary for Years Ending March 31[1]

Year	Government Purpose	Commercial[2]	Economic Development[2]	Social, Government Services and Other[2]	Less: Amounts Held as Investments By General and Special Funds	Total Net Debt	Net Debt as a Per Cent of GDP
				($ millions)			
1969	—	1,522.4	150.6	434.0	—	2,107.0	27.4
1970	—	1,661.3	141.5	480.4	—	2,283.2	26.0
1971	—	1,807.5	172.2	525.3	—	2,505.0	27.5
1972	—	1,948.1	233.4	559.1	—	2,740.6	26.5
1973	—	2,061.8	288.2	600.2	—	2,950.2	24.8
1974	—	2,227.7	401.6	625.9	—	3,255.2	22.1
1975	—	2,649.9	442.2	710.4	—	3,802.5	21.8
1976	—	3,144.3	596.2	827.9	—	4,568.4	23.4
1977	261.9	3,787.4	694.8	1,002.1	—	5,746.2	25.0
1978	261.4	4,464.0	715.8	1,108.4	—	6,549.6	25.6
1979	261.4	4,837.6	709.5	1,264.1	165.5	6,907.1	24.0
1980	235.3	5,704.3	824.1	1,494.3	205.2	8,052.8	24.1
1981	209.2	5,956.1	823.4	1,668.8	161.0	8,496.5	22.2
1982	183.1	7,227.5	972.6	2,058.2	314.9	10,126.5	22.7
1983	883.1	7,691.4	1,194.1	2,677.8	136.4	12,310.0	26.7
1984	1,596.1	8,431.1	1,793.3	2,842.9	74.4	14,589.0	30.3
1985	2,475.9	9,066.3	1,249.8	2,746.6	34.8	15,503.8	30.3
1986	3,197.1	8,966.0	1,669.5	2,712.7	38.9	16,506.4	30.3
1987	4,801.9	8,481.2	1,290.5	2,542.2	17.0	17,098.8	29.8
1988	5,016.7	8,148.8	1,192.7	2,616.0	8.2	16,966.0	27.0
1989	4,919.2	7,396.4	1,213.5	2,889.7	8.6	16,410.2	23.7
1990	4,208.6	7,334.6	1,246.8	3,480.0	61.1[3]	16,208.9	20.9
1991	4,725.9	7,438.9	1,296.6	3,745.5	5.4	17,201.5	21.2

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[1] Net debt is after deduction of sinking funds. Government purpose and fiscal agency debt excludes accrued interest, which is reported in the government's accounts as an account payable. Guaranteed debt excludes accrued interest from 1985/86 onwards.

[2] Certain economic development debt (for example, agricultural and regional development loan guarantees) has been reclassified as social, government services and other debt. Prior to 1984/85, debt outstanding for the British Columbia Railway Company was classified as economic development debt; beginning in 1984/85, this debt is classified as commercial debt.

[3] Includes cash held for relending under the Fiscal Agency Loan Program.

Table A3.1 British Columbia Municipal Population Estimates

Name	Area Type¹	Census 1986	Estimate 1987	Estimate 1988	Estimate 1989	Estimate 1990
Abbotsford	DM	14,496	15,053	15,816	16,525	17,616
Alert Bay	VL	679	669	694	674	680
Anmore	VL	—	—	—	652	668
Armstrong	C	2,706	2,746	2,701	2,706	2,842
Ashcroft	VL	1,914	1,806	1,718	1,668	1,598
Belcarra	VL	549	583	586	599	577
Burnaby	DM	145,161	146,196	148,983	151,899	153,793
Burns Lake	VL	1,723	1,701	1,698	1,642	1,631
Cache Creek	VL	1,147	1,059	1,036	1,024	1,018
Campbell River	DM	16,986	17,416	18,086	19,564	19,901
Castlegar	C	6,385	6,298	6,215	6,270	6,347
Central Saanich	DM	11,475	11,785	12,142	12,577	13,142
Chase	VL	1,933	1,888	1,925	1,962	1,976
Chetwynd	DM	2,774	2,708	2,657	2,702	2,728
Chilliwack	DM	41,337	42,335	44,022	45,624	48,173
City of Langley	C	16,557	16,921	17,107	17,969	18,401
Clinton	VL	754	732	731	721	688
Coldstream	DM	6,872	6,983	7,055	7,193	7,451
Colwood	C	11,432	11,770	12,208	13,082	13,098
Comox	T	6,873	6,964	7,433	7,677	7,758
Coquitlam	DM	69,291	71,583	75,301	78,777	81,823
Courtenay	C	9,631	9,697	9,664	9,884	10,545
Cranbrook	C	15,893	15,429	15,179	15,016	15,159
Creston	T	4,098	3,934	3,929	3,861	3,967
Cumberland	VL	1,853	1,924	1,868	2,039	2,043
Dawson Creek	C	10,544	10,565	10,117	10,134	10,246
Delta	DM	79,610	80,241	81,625	83,577	84,866
Duncan	C	4,039	3,912	3,948	4,041	4,125
Elkford	DM	3,187	3,055	2,912	2,872	2,808
Enderby	C	1,714	1,852	1,801	1,765	1,823
Esquimalt	DM	15,972	16,271	16,468	16,759	17,233
Fernie	C	5,188	4,900	4,727	4,699	4,562
Fort Nelson	T	3,729	3,727	3,492	3,309	3,297
Fort St. James	VL	1,983	1,976	1,924	1,935	1,924
Fort St. John	C	13,355	13,061	12,751	12,681	12,894
Fraser Lake	VL	1,182	1,195	1,250	1,162	1,159
Fruitvale	VL	1,932	1,865	1,855	1,856	1,935
Gibsons	T	2,675	2,701	2,730	2,861	3,241
Gold River	VL	1,879	1,855	1,975	2,011	2,099
Golden	T	3,584	3,597	3,794	3,704	3,700
Grand Forks	C	3,282	3,172	3,183	3,206	3,398
Granisle	VL	646	597	668	658	694
Greenwood	C	767	734	718	771	753
Harrison Hot Springs	VL	652	651	668	688	710
Hazelton	VL	436	466	442	450	461
Hope	T	3,046	3,034	3,089	3,204	3,280
Houston	DM	3,905	3,836	3,701	3,586	3,508
Hudson's Hope	DM	1,158	1,158	1,127	1,039	1,050
Invermere	DM	1,998	1,983	1,985	2,018	2,075
Kamloops	C	61,773	61,856	61,937	62,231	63,110
Kaslo	VL	858	837	860	837	842
Kelowna	C	61,213	62,964	64,436	66,985	70,716
Kent	DM	3,741	3,788	3,753	3,909	4,270
Keremeos	VL	839	832	867	857	877
Kimberley	C	6,732	6,307	6,178	6,009	6,013
Kitimat	DM	11,196	11,040	10,677	10,436	10,366
Ladysmith	T	4,393	4,433	4,516	4,616	4,809

Table A3.1 British Columbia Municipal Population Estimates — *Continued*

Name	Area Type¹	Census 1986	Estimate 1987	Estimate 1988	Estimate 1989	Estimate 1990
Lake Cowichan	VL	2,170	2,134	2,080	2,044	2,034
Langley	DM	53,434	55,710	58,277	60,835	62,620
Lillooet	VL	1,758	1,752	1,729	1,716	1,723
Lions Bay	VL	1,152	1,150	1,188	1,187	1,198
Logan Lake	DM	2,001	1,931	1,868	1,922	2,127
Lumby	VL	1,181	1,171	1,159	1,141	1,176
Lytton	VL	368	361	346	350	334
Mackenzie	DM	5,542	5,363	5,304	5,484	5,613
Maple Ridge	DM	36,023	38,697	41,604	44,525	46,578
Masset	VL	1,529	1,526	1,522	1,538	1,546
Matsqui	DM	51,449	53,514	56,116	59,648	62,966
McBride	VL	592	581	571	566	569
Merritt	C	6,180	6,161	6,089	6,072	6,006
Metchosin	DM	3,676	3,776	3,832	3,962	4,064
Midway	VL	640	642	625	608	597
Mission	DM	21,985	22,564	23,539	24,577	25,590
Montrose	VL	1,183	1,162	1,148	1,201	1,195
Nakusp	VL	1,410	1,332	1,304	1,290	1,269
Nanaimo	C	49,029	49,356	50,834	53,754	55,643
Nelson	C	8,113	8,072	8,133	8,311	8,507
New Denver	VL	596	591	589	541	542
New Hazelton	DM	796	837	858	805	813
New Westminster	C	39,972	39,961	41,028	42,603	42,788
North Cowichan	DM	18,674	18,913	19,211	19,642	19,992
North Saanich	DM	7,247	7,498	7,961	8,359	8,940
North Vancouver	C	35,698	36,066	37,187	38,125	38,314
North Vancouver	DM	68,241	69,682	71,078	73,154	74,244
Oak Bay	DM	17,065	17,214	17,509	17,772	18,042
Oliver	VL	1,963	1,971	1,993	2,000	2,133
Osoyoos	T	2,956	2,891	2,919	2,824	2,957
Parksville	C	5,828	5,931	6,131	6,510	6,780
Peachland	DM	2,988	3,053	3,015	3,080	3,228
Pemberton	VL	347	363	395	428	470
Penticton	C	23,588	24,348	24,777	25,296	25,963
Pitt Meadows	DM	8,004	8,398	8,808	9,522	10,341
Port Alberni	C	18,241	18,153	17,851	17,703	17,744
Port Alice	VL	1,387	1,360	1,386	1,332	1,316
Port Clements	VL	539	553	546	521	535
Port Coquitlam	C	29,115	30,049	31,409	33,136	34,185
Port Edward	VL	704	626	566	520	473
Port Hardy	DM	5,389	5,179	5,042	5,031	5,099
Port McNeill	T	2,559	2,469	2,502	2,534	2,536
Port Moody	C	15,754	15,900	16,039	16,366	16,794
Pouce Coupe	VL	813	800	768	754	793
Powell River	DM	12,440	12,084	12,158	12,395	12,593
Prince George	C	67,621	66,624	65,722	65,410	65,144
Prince Rupert	C	15,755	15,824	15,890	15,944	16,022
Princeton	T	2,910	2,661	2,701	2,689	2,640
Qualicum Beach	T	3,410	3,466	3,614	3,832	4,125
Quesnel	C	8,358	8,235	8,085	7,950	8,085
Revelstoke	C	8,279	8,099	7,872	7,848	7,619
Richmond	DM	108,492	111,507	114,522	117,668	122,106
Rossland	C	3,472	3,345	3,353	3,441	3,474
Saanich	DM	82,940	84,990	86,868	89,316	92,545
Salmo	VL	1,014	947	926	930	968
Salmon Arm	DM	11,199	10,975	11,163	11,286	11,608
Sayward	VL	417	410	400	410	411

Table A3.1 British Columbia Municipal Population Estimates — *Continued*

Name	Area Type[1]	Census 1986	Estimate 1987	Estimate 1988	Estimate 1989	Estimate 1990
Sechelt	DM	1,224	4,927	4,946	5,069	5,474
Sicamous	DM	—	—	—	—	2,342
Sidney	T	8,982	9,026	9,309	9,468	9,478
Silverton	VL	233	239	238	243	245
Slocan	VL	294	282	272	287	280
Smithers	T	4,713	4,622	4,728	4,793	4,847
Spallumcheen	T	4,310	4,371	4,408	4,435	4,509
Sparwood	DM	4,540	4,169	3,860	3,751	3,804
Squamish	DM	10,157	10,346	10,640	10,892	11,017
Stewart	DM	858	1,008	1,043	1,167	1,169
Summerland	DM	7,755	8,018	8,304	8,393	8,762
Surrey	DM	181,447	190,967	200,376	211,973	223,784
Tahsis	VL	1,445	1,265	1,103	906	876
Taylor	DM	711	651	642	598	605
Telkwa	VL	863	837	854	822	866
Terrace	C	10,532	10,649	10,659	10,538	10,604
Tofino	DM	940	959	932	949	997
Trail	C	7,948	7,742	7,631	7,624	7,773
Tumbler Ridge	DM	4,387	4,105	4,008	4,143	4,237
Ucluelet	VL	1,512	1,472	1,502	1,528	1,550
Valemount	VL	1,161	1,140	1,153	1,081	1,051
Vancouver	C	431,147	435,715	442,325	450,901	455,908
Vanderhoof	DM	3,505	3,328	3,210	3,266	3,126
Vernon	C	20,241	20,391	20,796	20,665	21,139
Victoria	C	66,303	66,950	67,112	67,893	68,671
View Royal	T	—	—	—	5,669	5,917
Warfield	VL	1,840	1,813	1,758	1,762	1,754
West Vancouver	DM	36,266	36,582	37,268	38,288	38,848
Whistler	DM	2,002	2,158	2,406	2,561	2,828
White Rock	C	14,387	14,769	14,949	15,319	15,642
Williams Lake	C	10,280	10,319	10,421	10,122	10,011
Zeballos	VL	195	138	189	186	249
100 Mile House	VL	1,692	1,687	1,635	1,611	1,627

Note: All figures correspond to municipal boundaries as of the year stated.

[1] C=City, T=Town, VL=Village, DM=District Municipality.

Sources: Planning and Statistics Division, Ministry of Finance and Corporate Relations, Government of British Columbia.
Statistics Canada for 1986 Census of Canada.

Table A3.2 Historical Labour Market Activity in British Columbia

Year	Labour Force			Employed	Unemployed	Unemployment Rate
	Male	Female	Total[1]			
			(thousands)			(per cent)
1961	426	149	575	527	49	8.5
1962	430	160	590	551	39	6.6
1963	438	173	610	571	39	6.4
1964	452	187	639	605	34	5.3
1965	469	197	666	639	28	4.2
1966	498	218	716	684	33	4.6
1967	518	241	759	720	39	5.1
1968	532	257	789	742	47	5.9
1969	554	276	830	788	42	5.0
1970	578	293	871	805	67	7.7
1971	596	303	899	834	65	7.2
1972	614	324	938	865	73	7.8
1973	644	343	987	920	66	6.7
1974	670	370	1,040	976	64	6.2
1975	680	407	1,087	995	92	8.5
1976	694	422	1,117	1,021	96	8.6
1977	713	435	1,148	1,050	98	8.5
1978	731	471	1,202	1,103	99	8.3
1979	751	488	1,239	1,144	95	7.6
1980	785	516	1,301	1,213	88	6.8
1981	806	555	1,361	1,270	91	6.7
1982	801	567	1,367	1,202	166	12.1
1983	806	574	1,380	1,190	190	13.8
1984	807	589	1,396	1,191	206	14.7
1985	814	606	1,420	1,220	200	14.1
1986	829	622	1,451	1,270	181	12.5
1987	841	641	1,482	1,306	177	11.9
1988	849	666	1,514	1,358	157	10.3
1989	877	701	1,578	1,435	144	9.1
1990	881	720	1,601	1,469	132	8.3

[1] Totals may not add due to rounding.
Source: Statistics Canada.

Table A4.1 Volume of Mature Timber, April 1990

Species	Coast Volume	Per Cent of Coast	Interior Volume	Per Cent of Interior	Total Volume	Per Cent of Total
	(million cubic metres)		(million cubic metres)		(million cubic metres)	
Hemlock	1,234.6	40.3	583.7	10.6	1,818.3	21.2
Spruce	146.4	4.8	1,625.0	29.4	1,771.4	20.6
Balsam	497.3	16.2	1,130.8	20.4	1,628.1	19.0
Lodgepole pine	23.3	0.8	1,385.6	25.1	1,408.9	16.4
Red cedar	703.0	23.0	172.5	3.1	875.5	10.2
Douglas fir	275.7	9.0	260.0	4.7	535.7	6.2
Other coniferous	164.7	5.4	60.3	1.1	225.0	2.6
Deciduous	15.9	0.5	309.5	5.6	325.4	3.8
Total[1]	3,061.1	100.0	5,527.4	100.0	8,588.5	100.0

[1] Totals may not add due to rounding.

Source: Ministry of Forests.

Table A4.2 Timber Scaled (Logged) by Species

Species	1986	1987	1988	1989	1990	1990 Per Cent of Total
			(million cubic metres)			
Balsam	10.0	12.1	11.2	12.0	10.6	13.5
Cedar	8.4	9.3	9.3	8.7	7.6	9.7
Douglas fir	8.7	9.3	9.6	8.8	7.8	10.0
Lodgepole pine	14.3	21.3	20.5	21.9	20.2	25.8
Spruce	15.9	19.4	17.2	17.0	16.3	20.8
Hemlock	14.8	16.4	15.9	15.4	13.0	16.6
All others	2.6	2.8	3.1	3.6	2.8	3.6
Total	74.7	90.6	86.8	87.4	78.3	100.0

Source: Ministry of Forests.

Table A4.3 Mineral Production, 1989 and 1990

		1989		1990[1]	
	Unit	Quantity	Value	Quantity	Value
Metals		(000)	($ millions)	(000)	($ millions)
Copper	(kilograms)	303,200	1,002.5	346,132	956.4
Gold	(grams)	15,486	236.4	16,443	249.0
Iron concentrates	(tonnes)	73	2.9	103	3.9
Lead	(kilograms)	68,369	46.3	23,658	21.7
Molybdenum	(kilograms)	13,618	112.3	13,481	98.9
Silver	(grams)	493,844	105.4	637,010	131.0
Zinc	(kilograms)	120,497	241.0	61,418	114.3
Other		—	10.6	—	7.0
Total		—	1,757.4	—	1,582.2
Industrial minerals					
Asbestos	(tonnes)	109	58.3	96	52.6
Sulphur	(tonnes)	474	51.8	480	50.4
Other		—	14.7	—	14.0
Total		—	124.8	—	117.1
Structural materials					
Cement	(tonnes)	1,484	112.6	1,324	101.8
Sand and gravel	(tonnes)	50,788	151.2	51,000	153.0
Other		—	32.9	—	36.1
Total		—	296.8	—	290.9
Coal	(tonnes)	25,134	983.3	25,809	1,058.6
Total solid minerals		—	3,162.2	—	3,048.9
Petroleum and natural gas					
Crude oil	(cubic metres)	1,994	262.7	2,000	328.0
Natural gas to pipeline	(000 cubic metres)	13,397	495.4	14,200	560.0
Other		—	25.2	—	26.0
Total petroleum and natural gas		—	783.3	—	914.0
Total[2] — all minerals		—	3,945.5	—	3,962.9

[1] Estimate.

[2] Totals may not add due to rounding.

Conversion table:

0.9072 tonnes = one ton.
0.4536 kilograms = one pound.
31.1035 grams = one troy ounce.
0.1590 cubic metres = one barrel.
0.0283 cubic metres = one standard cubic foot.

Source: Ministry of Energy, Mines and Petroleum Resources.

Table A4.4 Historical Value of Mineral Production

Year	Metals	Industrial Minerals	Structural Materials	Coal	Crude Oil	Natural Gas to Pipeline	Other Oil and Gas	Total¹
				($ millions)				
1980	1,429	116	242	461	190	613	26	3,077
1981	1,247	122	201	554	236	617	32	3,009
1982	1,057	96	164	567	334	543	36	2,797
1983	1,106	89	208	556	402	455	43	2,859
1984	1,037	115	192	1,008	435	519	43	3,349
1985	1,005	111	233	1,028	428	575	47	3,427
1986	1,157	134	215	934	230	486	62	3,218
1987	1,492	125	259	893	302	373	56	3,500
1988	1,876	111	258	979	206	477	53	3,960
1989	1,757	125	297	983	263	495	25	3,945
1990²	1,582	117	291	1,059	328	560	26	3,963

[1] Totals may not add due to rounding.

[2] Estimate.

Source: Ministry of Energy, Mines and Petroleum Resources.

Table A4.5 Historical Value of Metal Production

Year	Copper	Silver	Gold	Zinc	Molybdenum	Lead	Other	Total¹
				($ millions)				
1980	671	157	170	49	289	66	27	1,429
1981	611	152	136	67	198	62	21	1,247
1982	495	158	118	64	155	43	24	1,057
1983	561	180	131	80	88	49	17	1,106
1984	518	121	118	115	114	38	13	1,037
1985	580	101	98	113	63	42	8	1,005
1986	629	95	155	138	93	38	9	1,157
1987	842	123	239	109	122	50	7	1,492
1988	1,117	113	229	212	116	74	14	1,876
1989	1,003	105	236	241	112	46	13	1,757
1990²	956	131	249	114	99	22	7	1,582

[1] Totals may not add due to rounding.

[2] Estimate.

Source: Ministry of Energy, Mines and Petroleum Resources.

Table A4.6 Supply and Consumption of Electrical Energy in British Columbia

Year	Supply					Consumption	
	Net Generation						
	Hydro	Thermal	Total Provincial Generation	Receipts From Other Provinces and Imports	Total Provincial Supply	Delivered To Other Provinces and Exports	Total Provincial Consumption
				(gigawatt-hours[1])			
1980	40,860	2,474	43,334	2,823	46,157	3,454	42,702
1981	49,408	1,600	51,008	1,158	52,166	8,987	43,180
1982	46,127	2,111	48,238	2,308	50,546	6,615	43,931
1983	44,911	2,302	47,213	2,445	49,658	4,975	44,683
1984	50,243	2,126	52,369	1,556	53,925	8,313	45,612
1985	57,105	2,021	59,126	1,080	60,206	11,231	48,975
1986	48,923	1,836	50,759	3,345	54,104	4,709	49,395
1987	61,057	2,009	63,066	1,203	64,269	13,336	50,934
1988	58,573	2,370	60,943	2,351	63,294	9,215	54,078
1989	51,082	6,573	57,655	4,500	62,155	6,583	55,572
1990	57,245	3,417	60,662	3,233	63,895	6,689	57,206

[1] gigawatt-hour=one million kilowatt-hours.

Note: Totals may not add due to rounding.

Source: Statistics Canada.

Table A4.7 Principal Producers of Electric Power in British Columbia

Producers	Installed Capacity[1]		
	Hydro	Thermal	Combined
Utilities		(kilowatts)	
British Columbia Hydro and Power Authority	9,622,002	1,133,654	10,755,656
West Kootenay Power and Light Co. Ltd.	184,875	—	184,875
The Corporation of the City of Nelson	9,489	—	9,489
Central Coast Power Corporation	1,500	—	1,500
Yoho Power	—	650	650
Kitasoo Hydro	630	—	630
Tsawataineuk Band Council	75	—	75
Total utilities	9,818,571	1,134,304	10,952,875
Forest products companies			
MacMillan Bloedel Ltd.	74,980	109,250	184,230
B.C. Forest Products Ltd.	—	65,800	65,800
Northwood Pulp Co.	—	56,800	56,800
Western Pulp Ltd.	4,587	34,600	39,187
Skeena Cellulose Inc.	—	42,000	42,000
Weyerhaeuser Canada Limited	—	41,000	41,000
Crown Forest Industries Ltd.	75	32,250	32,325
CIP Inc.	—	29,464	29,464
Cariboo Pulp and Paper Co. Ltd.	—	28,000	28,000
Crestbrook Pulp and Paper Co. Ltd.	—	15,000	15,000
Evans Products Co. Ltd.	—	7,500	7,500
Weldwood Company of Canada Ltd.	—	6,500	6,500
Canadian Forest Products Ltd.	—	3,500	3,500
Westar Ltd.	—	2,500	2,500
MacDonald Ranch and Lumber	320	—	320
Total forest products	79,962	474,164	554,126
Mining companies			
Alcan Smelters and Chemicals Ltd.	896,000	—	896,000
Cominco Ltd.	468,820	—	468,820
Westmin Resources Ltd.	11,160	10,925	22,085
Cassiar Mining Corporation	—	17,700	17,700
Placer Development Limited	—	2,200	2,200
Dickenson Mines Ltd.	274	—	274
Total mining	1,376,254	30,825	1,407,079
Other industries			
PetroCanada	—	7,500	7,500
Queen Charlotte Power Corporation	5,700	—	5,700
B.C. Sugar Refining Co. Ltd.	—	5,500	5,500
British Columbia Packers	—	1,410	1,410
Walden North Enterprises	450	—	450
Robson Valley Power Corporation	300	—	300
Total other industries	6,450	14,410	20,860
Total principal producers	11,281,237	1,653,703	12,934,940

[1] Installed capacity represents physical rather than name-plate capacity.

Sources: Hydro plant installations from Ministry of Environment. Thermal plant installations from Statistics Canada, Catalogue 57-206 (December 31, 1989).

Table A4.8 Ten Largest Power Plants in British Columbia

Name	River	Installed Capacity	Ultimate Capacity	Owner
		(megawatts)[1]		
G. M. Shrum (W.A.C. Bennett Dam)	Peace	2,730	2,730	B.C. Hydro
Revelstoke	Columbia	1,843	2,764	B.C. Hydro
Mica	Columbia	1,736	2,610	B.C. Hydro
Kemano	Nechako	896	1,436	Alcan
Peace Canyon	Peace	700	700	B.C. Hydro
Seven Mile	Pend Oreille	576	639	B.C. Hydro
Kootenay Canal	Kootenay	529	529	B.C. Hydro
Bridge River	Bridge	438	438	B.C. Hydro
Waneta	Pend Oreille	360	720[2]	Cominco
Jordan River	Jordan	150	150	B.C. Hydro

[1] megawatt = 1,000 kilowatts.

[2] Estimate.

Source: Ministry of Environment.

Table A4.9 Historical British Columbia Farm Cash Receipts

	Crops		Livestock Products				
Year	Fruits and Vegetables Including Potatoes	Grain and Other Crops	Dairy Products	Poultry and Eggs	Other Livestock and Products	Other	Total
				($ millions)			
1980	153	135	174	120	175	22	779
1981	160	130	190	143	199	55	877
1982	181	107	211	139	231	93	962
1983	169	111	210	141	216	68	915
1984	176	122	221	154	244	79	996
1985	199	123	228	153	248	80	1,031
1986	214	120	232	159	259	85	1,069
1987[1]	230	123	231	169	283	52	1,089
1988[1]	229	167	237	176	252	83	1,143
1989[1]	228	171	243	196	260	76	1,174
1990[2]	212	179	251	210	290	63	1,205

[1] Data revised for years 1987 to 1989, inclusive.

[2] Preliminary.

Source: Statistics Canada.

Table A4.10 Historical British Columbia Fish Production

Year	Wholesale Value[1]						Total Landed Value[2]
	Salmon[3]	Halibut[4]	Herring	Groundfish[5]	Shellfish	Total Wholesale	
				($ millions)			
1980	289	12	48	42	15	406	184
1981	374	11	82	46	14	527	236
1982	315	8	86	41	17	467	241
1983	284	11	111	48	18	472	210
1984	276	14	99	52	26	467	243
1985	512	19	103	64	30	728	378
1986	536	31	88	76	35	766	402
1987	426	38	174	103	56	796	442
1988	584	30	176	94	72	956	533
1989	587	31	158	98	72	946	453
1990[6]	574	33	153	107	68	935	459

[1] Wholesale value includes the value of fish wholly or partially processed, and raw fish sold through brokers.
[2] Landed value is the value of raw fish landed at dock.
[3] Excludes salmon aquaculture production.
[4] Includes halibut landings at U.S. ports by British Columbia fishermen.
[5] Includes hake landings to foreign vessels, plus minor fish species not listed.
[6] Preliminary.
Sources: Ministry of Agriculture, Fisheries and Food; Department of Fisheries and Oceans, Canada.

Table A4.11 Value of Manufacturing Shipments

Industry	1988	Per Cent of Total Manufacturing	1989	Per Cent of Total Manufacturing	1990	Per Cent of Total Manufacturing	Change 1989–1990
	($ millions)		($ millions)		($ millions)		(per cent)
Wood	6,932	27.2	6,963	26.7	6,377	26.0	−8.4
Paper and allied products	5,728	22.4	5,900	22.6	5,122	20.9	−13.2
Food	2,929	11.5	2,865	11.0	2,880	11.7	0.5
Refined petroleum and coal	1,474	5.8	1,500	5.7	1,673	6.8	11.5
Fabricated metal products	1,157	4.5	1,316	5.0	1,229	5.0	−6.6
Primary metals	1,242	4.9	1,179	4.5	946	3.9	−19.8
Printing and publishing	879	3.4	920	3.5	936	3.8	1.7
Chemicals and chemical products	815	3.2	835	3.2	855	3.5	2.4
Transportation equipment	976	3.8	964	3.7	832	3.4	−13.7
Non-metallic mineral products	608	2.4	666	2.5	756	3.1	13.5
Machinery (except electrical machinery)	692	2.7	754	2.9	720	2.9	−4.5
Beverages	471	1.8	509	1.9	512	2.1	0.6
Electrical and electronic products	407	1.6	435	1.7	438	1.8	0.7
Plastics	371	1.5	415	1.6	381	1.6	−8.2
Furniture and fixtures	188	0.7	231	0.9	237	1.0	2.6
Clothing	222	0.9	236	0.9	227	0.9	−3.8
Textile products	82	0.3	89	0.3	88	0.4	−1.1
Other	343	1.3	350	1.3	329	1.3	−6.0
Total	25,516	100.0	26,127	100.0	24,538	100.0	−6.1

Note: Based on the 1980 Standard Industrial Classification.
Source: Statistics Canada, Catalogue 31-001.

APPENDIX 5

Table A5.1
Summary of Major Tax Changes Effective in 1990 and 1991 (to October 1, 1991)

Employee Investment Act

- Effective for the 1989 and subsequent taxation years, a non-refundable Employee Investment Tax Credit was introduced. The credit is equal to 20% of the cost of shares in approved Employee Share Ownership Plans and approved Employee Venture Capital Plans, to a maximum of $2,000 per year.

Home Owner Grant Act

- In 1990, the basic grant rates of $700 for seniors and $430 for most other homeowners were continued and a supplementary grant was introduced. The supplementary grant for 1990 equalled 25% of the amount by which a homeowner's regular school taxes (not including taxes resulting from a referendum approval) exceed his or her maximum possible basic home owner grant of $700 or $430. In 1991, the supplement was implemented at 50%.

Hotel Room Tax Act

- Effective October 1, 1990, a 2% additional hotel room tax was imposed in the District of Saanich.
- Effective November 1, 1990, a 2% additional hotel room tax was imposed in the City of Prince Rupert and the Town of Smithers.
- Revenue from the additional hotel room tax is used for local tourism promotion and projects.

Income Tax Act

- A temporary high personal income surtax was introduced for the 1991 to 1994 taxation years. The surtax is 10% of provincial tax in excess of $9,000 and is reduced by $50 per dependant.
- The general corporate income tax rate was increased on January 1, 1991 to 15%. The small business rate remains at 9% and applies to the first $200,000 of taxable income.
- The renter's tax reduction was enhanced for the 1990 taxation year. Renters are eligible for a maximum tax reduction of $225 per family member. Benefits are reduced by 3% of net family income in excess of $10,000 plus: $4,000 for the first, $3,000 for the second, $2,000 for the third, and $1,000 for the fourth and each subsequent family member other than the taxpayer. The program will be phased out over the 4 years beginning in 1992.

Indian Self Government Enabling Act

- Provisions are made offering native bands the choice of three methods of property taxation on reserves while continuing to receive provincial or municipal services:
  —concurrent taxation, in which the band adds its levy to a provincial or municipal tax notice, and other levies are reduced;
  —independent band taxation, in which the band takes over all property taxation, but negotiates for the continued provision of provincial or municipal services; and
  —Indian district taxation, in which a band incorporates as a municipal structure, assumes certain municipal responsibilities, and in turn receives municipal benefits such as revenue sharing grants.

Medical Services Act

- Effective July 1, 1991, Medical Services Plan premiums were increased to $70 per month for a family of three or more, $62 for a family of two and $35 for single subscribers. An assistance program continues to provide premium assistance to lower income individuals and families.

Mineral Tax Act

- Effective April 1, 1990, a two stage cash flow tax was introduced to replace existing royalties on metal and coal mines. Tax rates for metal mines under the new tax are 2% on operating cash flow and 13% on total cash flow. Tax rates on coal mines are 7.5% on operating cash flow and 17.5% on total cash flow. In both instances, any tax paid on operating cash flow is fully creditable against tax on total cash flow.

Motor Fuel Tax Act

- Effective October 1, 1991, and subject to further indexing adjustment, the tax rate on clear unleaded gasoline was decreased to 8.82 cents per litre.

Municipal Act

- Municipalities were granted the authority to add a parcel tax and to charge different rates on the land and improvement components of value, in addition to levying a single rate on assessed value. These measures provide municipalities with greater flexibility to respond to tax shifts caused by changing values.

Property Purchase Tax Act

- Effective March 31, 1989, tax was reduced for eligible purchasers of eligible residential property by 4% of the difference between the amount of registered financing (to a maximum of 95% of the fair market value of the property) and 75% of the fair market value of the property.
- Effective April 20, 1990, the tax reduction program was enhanced for home buyers in the Greater Vancouver, Central Fraser Valley and Dewdney-Alouette Regional Districts.
- Effective August 18, 1990, and retroactive to March 23, 1987, the exemption for transfers of principal residences between related individuals was expanded.
- Effective May 22, 1991, a new exemption was provided for land which is to be protected, preserved, conserved or kept in its natural state.
- Effective July 31, 1991, the definition of principal residence was amended. Also, a partial exemption was provided for transfers of principal residences on oversized parcels of land to related individuals.

School Act

- Since 1990, residential school taxes have been set largely by the province, rather than by individual school boards. The 1990 tax rates for each school district were determined using the old grants under formula with adjustments to ensure that no district's tax rate increase exceeded 8 per cent. School boards may levy an additional tax on residential property if authorized by local referendum.
- A new school tax rate framework has been introduced and will be phased in over the three years beginning 1991. The new system moderates the effects on school taxes of dramatic differences in average assessed values across school districts.

Social Service Tax Act

- Effective April 20, 1990, the exemption for disposable diapers designed for infants and young children was removed.
- Effective April 20, 1990, an exemption for biological control agents when purchased by farmers for farm use was introduced.
- Effective July 1, 1990, disposal levies of $3 per new vehicle tire and $5 per new lead-acid battery were introduced.

Taxation (Rural Area) Act

- Effective January 1, 1991, rural area tax rates on residential property was reduced to $1.75 per $1,000 of assessed value. Rates on light industry, utilities and business/other property were reduced to $4 per $1,000 of assessed value.

Tobacco Tax Act

- Effective September 1, 1991, and subject to future indexing adjustments, the tax rate on cigarettes was increased to $2.35 per package of 25 cigarettes.
- Effective September 1, 1991, and subject to future indexing adjustments, the tax rate on loose tobacco products was increased to 7.2 cents per gram.

Tourist Accommodation (Assessment Relief) Act

- Effective January 1, 1989, tourist accommodation facilities received a deduction for property tax purposes equal to 50% of their assessed value, up to a maximum deduction of $150,000 from assessed value, with a phase out of this exemption for properties valued over $2 million.

Table A5.2 Interprovincial Comparisons of Tax Rates, October 1991

	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario	Quebec	New Brunswick	Nova Scotia	Prince Edward Island	Newfoundland
Provincial personal income tax (per cent of family income)[1]	7.8	7.5	9.5	9.3	8.0	9.5	9.0	9.0	8.9	9.5
Corporation income tax (per cent of taxable income)										
General rate	15	15.5	15	17	15.5	6.90	17	16	15	17
Small business rate	9	6	10	10	10	3.75	9	10	10	10
Corporation capital tax (per cent of taxable paid up capital)										
Non-financial corporations	*Nil*	*Nil*	0.5[2]	0.3	0.3[3]	0.56	*Nil*	*Nil*	*Nil*	*Nil*
Financial institutions	2.0[4]	2.0	3.0	3.0	1.0	1.12	3.0	3.0	3.0	3.0
Payroll tax (per cent)	*Nil*	*Nil*	*Nil*	2.25[5]	1.95[5]	3.75	*Nil*	*Nil*	*Nil*	1.5[5]
Insurance premiums tax[6] (per cent)	2–3	2–3	2–3	2–3	2–3.5	2–3	2–3	3–4	3	4–12[7]
Gasoline tax[8]										
Cents per litre	8.82	9.0	10.0	10.5	13.0	18.7	12.7	12.4	11.7	13.7
Retail sales tax (general rate) (per cent)	6	*Nil*	7	7	8	8	11	10	10	12
Tobacco tax (cents per package of 25 cigarettes)[9]	235	175	202	239	206	184	297	221	225	235

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[1] Calculated for a wage earner with an income of $45,000 per year, a dependent spouse and two dependent children.

[2] Large Saskatchewan resource corporations are assessed a 2 per cent surcharge on the value of Saskatchewan resource sales.

[3] Lower rates for corporations with less than $2.3 million in taxable capital.

[4] British Columbia income tax paid may be deducted from corporation capital tax liability.

[5] Manitoba, Ontario and Newfoundland provide payroll tax relief for small businesses.

[6] The lower rate applies to premiums for life, sickness and accident insurance; the higher rate applies to premiums for property insurance (excluding motor vehicles).

[7] Newfoundland sales tax is payable by the insuree on property insurance premiums.

[8] Tax rate is for regular unleaded fuel used on highways.

[9] Includes estimated provincial sales tax where applicable.

Table A5.3 Provincial Taxes

Type and Statute Reference	Tax Base	Tax Rate	Characteristics
Income— *Income Tax Act*	Net income: (1) Corporation	15% of taxable income (9% for small businesses)	Collected under agreement by Revenue Canada. Non-refundable renter's tax reductions; refundable venture capital tax credit for individuals, non-refundable venture capital tax credit for corporations; refundable employee investment tax credit for individuals; other non-refundable tax credits for claims against personal and corporate income tax include Logging Tax Credit, Provincial Political Contributions Tax Credit and Provincial Royalty Tax Rebate. High personal income surtax will apply for the 1991 to 1994 taxation years.
	(2) Personal	51.5% of basic federal tax payable. High income surtax of 10% of provincial tax in excess of $9,000, reduced by $50 per dependant	
Capital— *Corporation Capital Tax Act*	Taxable paid-up capital of banks and trust companies with taxable paid-up capital of $500 million or more	Banks and trust companies: 2% if taxable capital exceeds $500 million	Exemptions—Provincial income tax paid is deductible from the tax, in effect making it a minimum tax for large deposit taking financial institutions.
Real Property Transfers— *Property Purchase Tax Act*	Fair market value of property or interest in property transferred	1% on the first $200,000 of value transferred and 2% on amounts in excess of $200,000	Numerous exemptions are provided, including the transfer of a principal residence, recreational residence or family farm to a related individual, an inter-spousal transfer of property pursuant to a written separation agreement or court order, transfers of property to local governments, transfers of property to registered charities and educational institutions, transfers of property to veterans under the *Veterans' Land Act* (Canada), transfers of land to be protected, preserved, conserved or kept in a natural state, and transfers of leases less than 31 years' duration. A number of technical exemptions are also provided. The tax is reduced for eligible purchasers of eligible residential property where high-ratio financing is required to finance the purchase.
Retail sales— *Social Service Tax Act*	Purchase and lease price of tangible personal property	General rate 6% Liquor 10%	Collected through vendors and lessors registered under the act and paid by purchaser and lessees. The many exemptions generally fall into four categories: (1) items considered to be basic necessities of life such as food, children's clothing and prescription medicaments; (2) assistance to certain industries such as the exemption of special equipment used by *bona fide* farmers, fishermen and aquaculturists and the exemption of grinding media, explosives and drill bits used in mining; (3) safety related equipment such as high visibility vests, steel toed boots and life jackets; (4) energy conservation products including heat pumps, insulation material and wood stoves.
Accommodation— *Hotel Room Tax Act*	Purchase price of accommodation	8%. Eligible local governments may apply to have the province levy an additional tax of up to 2% in specified areas on their behalf	Exemptions include accommodation rented for a period in excess of two months; lodging provided in hospitals and nursing homes; lodging supplied to employees by employers, lodging on ships or trains, hotel rooms not used for accommodation; charges of $20 or less per day; charitable institutions; trailer parks and campsites; and establishments with accommodation for less than four tenants.
Tobacco— *Tobacco Tax Act*	By cigarette, cigar retail price, and weight on other tobacco products	9.4¢ per cigarette; 4¢ to 33¢ per cigar, 77% of retail price on cigars of more than 49¢ to a maximum tax of $2.50 per cigar; 7.2¢ per gram of loose tobacco	Tax rates on cigarettes and tobacco adjusted semi-annually, based on Vancouver consumer price index subcomponent for tobacco products. Rates quoted effective September 1, 1991.

Table A5.3 Provincial Taxes—*Continued*

Type and Statute Reference	Tax Base	Tax Rate	Characteristics
Motor fuel— *Motor Fuel Tax Act*			Tax rates are adjusted quarterly. All quoted rates effective October 1, 1991. The tax generally applies to all fuels used in internal combustion engines. Different tax rates apply to fuels used for different purposes. Compressed natural gas and propane used to propel motor vehicles are exempt. Qualifying disabled persons who own or lease a vehicle are entitled to refunds of tax paid under the act.
	Clear gasoline (unleaded)	8.82¢ per litre	Tax rate is 22.5% of pretax retail price for gasoline.
	Clear gasoline (leaded)	10.82¢ per litre	Tax rate is the rate for unleaded gasoline plus 2¢ per litre.
	Motive fuel	9.26¢ per litre	Tax rate is the rate for unleaded gasoline plus 0.44¢ per litre. Tax applies to any fuel except leaded and unleaded gasoline, gasohol, natural gas, propane and butane used in a motor vehicle. Refunds are available for motive fuel used in private passenger vehicles.
	Coloured fuel, marine diesel fuel	2.74¢ per litre	Tax rate is 7% of pretax Vancouver retail price for gasoline. Coloured fuel may only be used for specified primary production and industrial uses.
	Aviation and locomotive fuel	2.74¢ per litre	Tax rate is 7% of pretax Vancouver retail price for gasoline. Tax applies to aviation fuel purchased or loaded into the fuel tank of an aircraft within British Columbia. Tax applies to locomotive fuel used within the province.
	Natural gas used in stationary engines	7% of purchase price if purchased, 1.1¢ per 810.32 litres if used but not purchased	Tax applies to natural gas used in stationary engines other than pipeline compressors.
	Natural gas used in pipeline compressors	1.1¢ per 810.32 litres	Tax applies to natural gas used in a stationary engine at a natural gas or oil pipeline compressor station.
	Marine bunker	7% of purchase price	Tax applies to bunker fuel, or a combination of bunker and other fuels used as fuel in a ship.
Race-meetings— *Horse Racing Tax Act*	Parimutuel betting pool	7%	Net provincial tax is 3/7 of total tax paid. 4/7 of total tax paid to increase purses, maintain a breeders incentive fund, make grants for breeders societies, operate race courses and horse racing meets, for equine health research, and for capital construction projects and related research costs.
Natural resources— *Logging Tax Act*	Net income from logging	10% (Fully recoverable against federal and provincial corporation income tax)	Net income from logging after deducting investment and non-forestry income and a processing allowance.
Mining Tax Act	All income from mining operations if mining income exceeds $50,000	12.5%	Net income from mining after deducting investment and non-mining income and a processing allowance. Tax not applicable to petroleum, natural gas, or minerals taxed under the *Mineral Tax Act.*
Mineral Land Tax Act	Assessed value of freehold mineral land and production tracts	Basic undesignated mineral land: 62¢–$2.47 per hectare Producing land: $12.50 per $1,000 of assessed value	Rates of tax set on sliding scale, dependent on amount and designation of land. The assessed value of production tracts is based on the value of mineral production from the tract in the previous year. Effective January 1, 1990 the tax on producing coal properties was replaced with the cash flow tax imposed under the *Mineral Tax Act.*
Mineral Tax Act	Cash flow from individual metal and coal mines. No tax paid on first $50,000	Metal Mines: • 2% operating cash flow • 13% total cash flow Coal Mines: • 7.5% operating cash flow • 17.5% total cash flow	Tax calculated on mine-by-mine basis. Tax paid on operating cash flow creditable against tax on total cash flow.

Table A5.3 Provincial Taxes—*Continued*

Type and Statute Reference	Tax Base	Tax Rate	Characteristics
Insurance— *Insurance Premium Tax Act*	Direct premiums written	4% for vehicle insurance; 3% for general insurance; 2% for life, sickness, personal accident and loss of salary and wages insurance. Marine pleasure craft premiums taxed at 3%	Exemptions—Benefit societies; mutual corporations with 50% of income from farm or 100% from religious, educational, or charitable institutions; marine, except pleasure craft; approved medical or hospitalization plans.
Fire Services Act	Direct premiums written for fire hazard	1%	Exemptions—Insurance Corporation of British Columbia (basic automobile insurance only).
Real property— *Taxation (Rural Area) Act*	Assessed value of land and improvements in rural areas (outside municipalities). Assessment determined under *Assessment Act*	0.23% for residential, recreational property/non-profit organizations; 0.46% for utilities, major industry, light industry, business and other property not contained in any other class; 0.05% for farm and managed forest lands	
Residential school tax— *School Act*	Assessed value of residential land and improvements. Assessment determined under *Assessment Act*	Varies between school districts; typically about 0.5%	Basic tax rates are calculated using a formula to moderate the effects of varying average assessments on school district taxes. School districts may levy additional tax if authorized by local referendum.
Non-residential school tax— *School Act*	Assessed value of non-residential land and improvements. Assessment determined under *Assessment Act*	1.56% for utilities; 1.02% for light industry, business and other property not contained in any other class; 1.23% for major industry; 0.67% for farm; 0.51% for recreational property, and non-profit organizations; 1.4% for unmanaged forest; 0.57% for managed forest land.	

Table A5.4 Major Provincial Programs for Local Government

Type	Statutory Reference	Basis	Rate	Remarks
PROVINCIAL GOVERNMENT PROPERTY				
Provincial government property grant	*Municipal Aid Act*	Assessed value of improved properties	Individual tax rates of the municipality and regional district containing the property	Grants in lieu of taxes
REVENUE SHARING				
Unconditional municipal grant	*Revenue Sharing Act*	Municipal population, expenditure and assessment	80% of available funds distributed on a per capita basis; 20% in proportion to expenditure and assessment	Largest single source of municipal grants
Basic municipal grant	*Revenue Sharing Act*	Municipal status	$55,000 minimum per municipality; $110,000 maximum	Unconditional
Water facilities assistance (old)	*Revenue Sharing Act*	Local area taxable capacity	75% of excess annual debt servicing cost over a basic 2½ mill real property tax levy	Grants continuing until expiry of approved debt
Sewerage facilities assistance (old)	*Revenue Sharing Act*	Local area taxable capacity	75% of excess annual debt-servicing cost over a basic 2½ mill real property tax levy	Grants continuing until expiry of approved debt
Water facilities assistance (new)	*Revenue Sharing Act*	Capital cost of approved projects	25–50% of approved costs, subject to other limits and high cost grant	Replaced "old" program in 1983
Sewerage facilities assistance (new)	*Revenue Sharing Act*	Capital cost of approved projects	25–50% of approved costs, subject to other limits and high cost grant	Replaced "old" program in 1983
Major municipal highway grants	*Revenue Sharing Act*	Approved construction or acquisition costs	50% of shareable costs	Designed to promote transportation networks and associated land use; annual ceiling of $15 million
Municipal planning grants	*Revenue Sharing Act*	Approved costs for plan preparation	Amount varies according to approved planning costs	Annual ceiling of $2 million
Regional district basic grant	*Revenue Sharing Act*	Regional district status	$55,000 per regional district	Unconditional
Regional district administration grant	*Revenue Sharing Act*	Regional district status	$55,000 per regional district	Unconditional
Regional district planning grant	*Revenue Sharing Act*	Approved costs for plan preparation	Amount varies according to approved planning costs	Annual ceiling of $1 million
Restructuring assistance	*Revenue Sharing Act*	Restructure studies and grants	Amount varies according to policing costs, property taxation and per capita grant	Annual ceiling of $6 million
Transmission line assistance	*Revenue Sharing Act*	Approved costs for installing existing utility lines underground	Cost shared equally between province, municipality and utilities	Designed to promote urban beautification; annual ceiling of $1 million
Infrastructure study grants	*Revenue Sharing Act*	Approved sewer and water study costs	100% of first $5,000; 50% for the next $10,000 to a maximum of $10,000	Assists with capital works evaluation
Stabilization	*Revenue Sharing Act*	Special account for grant stabilization	Annual contribution based on formula to an account maximum of $40 million	Established to reduce the impact of provincial government revenue fluctuations on grant programs
Health Equalization Grant	*Revenue Sharing Act*	Approved program costs	Based on recommendations of the Ministry of Health	Establishes equity with other regional health programs
Police Equalization Grant	*Revenue Sharing Act*	Approved program costs	Based on recommendations of the Ministry of Solicitor General	Provides funding for the first 5,000 people for municipalities with their own police force
Local Government Emergency Account	*Revenue Sharing Act*	Degree of economic distress	Amount will vary according to need	Annual ceiling of $10 million

APPENDIX 6

Table A6.1 Major Provincial Programs for People (at July 1991)

Type	Statutory Reference	Basis	Rate	Remarks
EDUCATION PROGRAMS				
Public schools	*School Act*	Operating and capital costs of each school district	(a) Under the *School Act*, introduced in 1989 and amended in 1990, the province pays a grant to each school district covering all costs of the schools block operating allocation. The block allocations are determined annually based on enrolments, approved levels of services and variations in the cost of delivering educational programs. A school district may raise additional funding through local residential taxation by introducing a referendum which must be approved by a majority of persons who cast valid ballots (b) The *School Act* (1989) provides for provincial payments to schools for debt servicing of eligible capital project costs using the same formula outlined for operating expenses. The *School Act* provides for phasing in of this new debt servicing formula over a period of three years.	Statutory levy on non-residential property is determined annually.
Independent schools	*Independent School Act*	Operating support contributions (number of students and type of school and program)	Based on 50 per cent (Group 1), 35 per cent (Group 2) and 10 per cent (Group 3) of the public school per pupil operating cost	
Universities	*University Act*	Operating contributions	(a) Contributions for operating expenses approved by the Ministry of Advanced Education, Training and Technology	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of certain equipment items	
Colleges and Provincial Institutes	*College and Institute Act*	Operating contributions (number of students and type of program)	(a) Contributions for operating expenses approved by the Ministry of Advanced Education, Training and Technology	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of minor capital items	
British Columbia Institute of Technology	*Institute of Technology Act*	Operating contributions (number of students and type of program)	(a) Contributions for operating expenses approved by the Ministry of Advanced Education, Training and Technology	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of minor capital items	
Student Financial Assistance	*College and Institute Act*	Need	Loans repaid above $12,000 for a first degree and above $16,000 for a second degree; loans and grants provided up to $210 per week for students without dependents and up to $315 per week for students with dependents; other special assistance programs are also available	
Open Learning Agency	*Open Learning Agency Act*	Operating contributions	(a) Contributions for operating expenses approved by Ministry of Advanced Education, Training and Technology	
		Capital contributions	(b) Full cost of servicing debt for approved capital projects and acquisition of certain equipment items	
SKILLS DEVELOPMENT PROGRAMS				
Skills Development	*Apprenticeship Act*	Need for employment-related training	Province administers various programs that: encourage, initiate and develop employment and training opportunities; provide consulting support for employers; and provide vocational counselling and job-related services for employees	
Science and Technology Programs	*Science and Technology Fund Act*	On approval	Contributions for research and development, human resource development, infrastructure, and public awareness programs	
Employment/Training Programs purchased by the federal government	*College and Institute Act*	Need for additional employment-related training	Full tuition provided to participants eligible under the Canada Jobs Strategy Program	Province recovers the full cost of training up to a predetermined ceiling from the federal government under the Canada-British Columbia Agreement on Training
Vocational Rehabilitation Programs		Need for vocational rehabilitation	Province administers programs that assist persons with medical or physical disabilities in obtaining employment or entry level training	Province recovers 50 per cent of the cost of service from the federal government under the Vocational Rehabilitation for Disabled Persons Agreement

Table A6.1 Major Provincial Programs for People (at July 1991)—*Continued*

Type	Statutory Reference	Basis	Rate	Remarks
HEALTH PROGRAMS				
Hospital care (including construction and equipment)	*Hospital Insurance Act*	In-patient care (includes acute, rehabilitation and extended care)	Payment of direct operating contributions to hospitals for care of all qualified provincial residents	Patient charge of $22.60 *per diem* (adjusted quarterly) as of August 1, 1991 for extended care (not applicable for persons under the age of 19).
		Out-patient care	Payment made for a wide range of services, including day-care surgery	
		Hospital equipment	Contributions of 33 to 100 per cent on major movable depreciable equipment	
	Hospital District Act	Approved capital costs	60 per cent of debt service costs for approved construction and fixed equipment up to an amount equalling a levy, as prescribed in the act, on the net taxable value of land and improvements, plus 60 per cent of any remaining expense	
Continuing care				
(A) Residential care	*Community Care Facility Act*	Need	Individual pays 85 per cent of the OAS/GIS rate *per diem* for basic accommodation; province provides the balance	Includes private hospitals, community care facilities and extended care hospitals.
(B) Home care				
(a) Home nursing care and home preparation		Need	Province pays 100 per cent	
(b) Homemaker services	*Guaranteed Available Income for Need Act*	Need	User charge levied based on income	Province pays up to 100 per cent (including federal government contributions minus the user contribution).
Medical services	*Medical Service Act*	Premium rates	Medical services plan monthly premiums effective April 1, 1989, are: $35 per single person, $62 per family of two and $70 per family of three or more	
		Income or need	Subsidies of medical care premiums are provided based on 1990 adjusted net family income with a 95 per cent subsidy for adjusted family income of $9,000 or less; 75 per cent for incomes between $9,001 and $11,000; 55 per cent for incomes between $11,001 and $13,000; 35 per cent for incomes between $13,001 and $15,000; and 15 per cent for incomes between $15,001 and $17,000.	
Ambulance service	*Health Emergency Act*	Transportation, resuscitation and advanced life support	Net cost paid by province	Patient (resident of province) charged fee of $42 plus 48 cents per kilometre over 40 kilometres, up to a maximum $238 as of May 1, 1991.
Pharmacare	*Guaranteed Available Income for Need Act*	Age or income	(a) Free prescription drugs for persons aged 65 and over, long-term care residents and unemployable and disabled GAIN clients; persons aged 65 and over pay 75 per cent of dispensing fees to an annual maximum of $125 after which full benefits are provided by Pharmacare (b) 80 per cent subsidy of prescription costs over $375 for a family or for a single person in each calendar year; maximum liability of an individual or family is $2,000 per year (c) Provides subsidies to patients who, because of their medical condition, require oxygen in their homes	Province pays 100 per cent (including federal contribution).
PROPERTY TAX RELIEF PROGRAMS				
Grant applied against homeowner property tax	*Home Owner Grant Act*	Per eligible homeowner	Basic grant of $430 plus additional $270 for homeowners 65 and over, for recipients of war veterans allowance and for eligible disabled persons Supplemental home owner grant of up to $1,000; reduces the portion of 1991 school taxes above the maximum basic grant, if any, by 50 per cent	Minimum tax payable is $350, $100 if eligible for additional grant; applies first to school taxes.
Real property tax deferment	*Land Tax Deferment Act*	Per resident homeowner age 60 or over, widowed spouse, disabled	Deferment of 100 per cent of net property tax, at a subsidized rate	Deferred taxes allowed only where property is owner-occupied; manufactured homes may also qualify.
HOUSING PROGRAMS				
Social Housing Program	*Ministry of Social Services and Housing Act*	Income and housing need	Rent is subsidized to 30 per cent of income of residents in units operated by BCHMC and designated units in non-profit and private-market housing.	
B.C. Home Mortgage Assistance Program	*Mortgage Assistance Program Act*	Home cost and residency	Provincial government guarantee of up to $12,000 providing applicant has not benefited previously	Application must be made when arranging mortgage financing; program is offered through participating financial institutions; available for new or existing housing $100,000 or less in value.

Table A6.1 Major Provincial Programs for People (at July 1991)—*Continued*

Type	Statutory Reference	Basis	Rate	Remarks
Special Purpose Housing	*Ministry of Social Services and Housing Act*	Temporary shelter and housing for disabled persons requiring nursing and intermediate care	Mortgage interest written down to 2 per cent	Operating subsidies are provided by the Ministries of Health and Social Services and Housing.
Property purchase tax relief	*Property Purchase Tax Act*	Home price, residency, high-ratio financing, principal residence	Property purchase tax reduced by 4 per cent of the difference between the amount of registered financing and 75 per cent of the property's fair market value	Applicable to home purchases valued at $200,000 or less in the Greater Vancouver, Central Fraser Valley and Dewdney-Alouette Regional Districts and $150,000 or less in all other areas of the province, where the purchaser does not have the ability to make a large down payment (i.e. in excess of 25% of purchase price); home buyer must have lived in British Columbia for one year.
Renter's tax reduction	*Income Tax Act*	Income and need	Reduction of the lesser of 10% of annual rent or $225 per family member. Reduction is reduced by 3% for net family income in excess of $10,000 plus: $4,000 for the first, $3,000 for the second, $2,000 for the third, and $1,000 for the fourth and each subsequent family member other than the taxpayer	Credit is claimed at time of filing income tax return. Program is targeted at low-income families.
B.C. Rental Supply Program	*Ministry of Social Services and Housing Act*	Eligible rental housing projects determined by proposal call	5-year mortgages at below market rates down to 8 per cent	Mortgage must be arranged through participating financial institutions; a specified amount of equity is required.
Start-up grant for non-profit seniors' housing	*Ministry of Lands, Parks and Housing Act*	Non-profit societies by application	Start-up grants of $20,000 per eligible project	To assist non-profit societies to initiate unsubsidized seniors' rental housing projects.
INCOME ASSISTANCE AND SOCIAL PROGRAMS				
Income assistance (social allowance, age benefits and supplement to old-age security, and disabled persons' income assistance)	*Guaranteed Available Income for Need Act*	Income and need	Benefits are determined by factors such as family size and employability	Province pays 100 per cent of allowance and recovers 50 per cent in federal contributions in most cases.
		Disability and need	Benefits effective August 1, 1990 are: single disabled person, $694 monthly maximum; couple, with one person disabled, $1,031 monthly; couple, both persons disabled, $1,175	Province pays 100 per cent of cost and recovers 50 per cent in federal contributions in most cases.
Elderly renters' assistance	*Shelter Aid for Elderly Renters Act*	Tenants age 60 and over and in financial need	Monthly payments for those who pay more than 30 per cent of income on rent	Maximum claimable rents are $575 per month for a couple, $520 per month for a single person and $885 per month for those who share.
Health care services	*Guaranteed Available Income for Need Act*	Need	Comprehensive health care to some recipients of income assistance and to children in care	Province pays 50 to 100 per cent, depending on the type of expenditure and the amount of federal contribution.
Services for adults with mental handicaps	*Guaranteed Available Income for Need Act*	Income or need	Institutional and community-based residential care, achievement centres, community living skills, work placement	Province pays up to 100 per cent according to type of expenditure (including federal contribution).
Family support homemaker services	*Guaranteed Available Income for Need Act*	Need	Temporary homemaker services for families and individuals	Province pays up to 100 per cent (including federal contribution).
Child day care and special-needs day care	*Guaranteed Available Income for Need Act*	Income and need	Subsidy for each child	Province pays up to 100 per cent (including federal contribution).
		Approved emergency repair or relocation costs	Grants to non-profit daycare centres of up to $5,000	Province pays 100 per cent (including federal contribution).
Infant development program	*Guaranteed Available Income for Need Act*	Need	Fully subsidized	
Family and children's services (protection services, payments to foster, group and special care homes, special services to children, rehabilitation resources, Reconnect, family support, Families First, At Home, homemaker services and adoption programs)	*Family and Child Service Act* *Adoption Act*	Need and/or income	(a) Foster care rates effective June 1, 1991: $292.07 to $429.31 per month according to age; special rates for authorized care or services (b) Other services provided through contracts, subsidy to parents, or contributions to a community agency	Province pays up to 100 per cent according to type of expenditure (including federal contribution).
Community projects	*Guaranteed Available Income for Need Act*	Approved operating costs	Contributions for various community-based projects and services, including crisis centres, family support and counselling, youth programs, programs for the disabled, volunteer bureaus and multi-service agencies	Province pays 100 per cent (including federal contribution).

Table A6.1 Major Provincial Programs for People (at July 1991)—*Continued*

Type	Statutory Reference	Basis	Rate	Remarks
Assistance to Employment (incentive allowance, employment opportunity program, community tourism employment training program, environment youth program, job action, work clothing and transportation, education and training assistance, work activity projects and employment incentives for the disabled)	*Guaranteed Available Income for Need Act*	Income and Need.................	Assistance and incentives vary among programs	Various forms of incentives and assistance to prepare income assistance recipients for return to work.
OTHER PROGRAMS				
Highways..............................	*Highway Act*.........................	Provincial highways in municipalities	Arterials (curb-to-curb), 100 per cent; secondary, 50 per cent for capital works, 40 per cent for maintenance	
Urban transit.........................	*British Columbia Transit Act*..	Planning and funding of transit services	Shared-cost formula with users, the province and contributing municipalities	
Library grants	*Library Act*............................	Population served; type of library and level of local support	Rates are established annually	
Provincial guaranteed debt...	....	....	Guarantees for debt of municipalities and other local entities for water, sewerage, drainage, schools, post-secondary institutions, hospitals, etc.	Province provides grants covering specified portion of debt-service costs.

APPENDIX 7

Table A7.1 Major British Columbia Crown Corporations and Agencies (at July 1991)

Corporate Entity	Address and Telephone Number	Minister Responsible	Functions
Commercial:			
British Columbia Hydro and Power Authority	Box 8910, 970 Burrard Street Vancouver, B.C. V6Z 1Y3 663-3423	Minister of Energy, Mines and Petroleum Resources	Generation, transmission and distribution of electricity.
British Columbia Lottery Corporation	74 West Seymour Street Kamloops, B.C. V2C 1E2 828-5500 (Kamloops) 270-0649 (Richmond)	Provincial Secretary and Minister Responsible for Multiculturalism and Immigration	Development, conduct and management of lottery operations on behalf of the provincial government and in conjunction with the governments of other provinces.
British Columbia Petroleum Corporation	1650 Commerce Place 400 Burrard Street Vancouver, B.C. V6C 3A6 681-5395	Minister of Energy, Mines and Petroleum Resources	Provision of administrative services under the *Petroleum Corporation Act* and *Natural Gas Price Act*.
British Columbia Railway Company	Box 8770 Vancouver, B.C. V6B 4X6 984-5016	Minister of Transportation and Highways	Operation of railway.
British Columbia Steamship Company (1975) Ltd.	Third Floor, 1117 Wharf Street Victoria, B.C. V8V 2Z2 356-2175	Minister of Development, Trade and Tourism	Seeking opportunities for the development and operation of a vehicle/passenger service between Victoria and Seattle.
Insurance Corporation of British Columbia	151 West Esplanade North Vancouver, B.C. V7M 3M9 661-2800	Solicitor General	Provision of automobile insurance.
Liquor Distribution Branch	2219 Government Street Victoria, B.C. V8T 4P3 356-2906	Minister of Labour and Consumer Services	Purchase, distribution and sale of alcoholic beverages.
Economic Development:			
British Columbia Ferry Corporation	1112 Fort Street Victoria, B.C.V8V 4V2 381-5452	Minister of Transportation and Highways	Operation of coastal ferry service.
British Columbia Hazardous Waste Management Corporation	500, 3795 Carey Road Victoria, B.C. V8Z 6T8 384-5342	Minister of Environment	Development of an integrated hazardous waste management system.
British Columbia Pavilion Corporation	600, 375 Water Street Vancouver, B.C. V6B 5C6 687-3800	Minister of Development, Trade and Tourism	Management of public facilities including the Vancouver Trade and Convention Centre and the British Columbia Place Stadium.
British Columbia Trade Development Corporation	730, 999 Canada Place Vancouver, B.C. V6C 3E1 844-1900	Minister of Development, Trade and Tourism	Assist British Columbia businesses to export goods and services.
British Columbia Transit	1200 West 73rd Avenue Vancouver, B.C. V6P 6M2 264-5000	Minister of Transportation and Highways	Provision and maintenance of public transportation systems.
Okanagan Valley Tree Fruit Authority	Box 6000 Summerland, B.C. V0H 1Z0 494-5021	Minister of Agriculture and Fisheries	Assist British Columbia orchardists in the interior to revitalize the industry.
Social and Government Services:			
British Columbia Assessment Authority	1537 Hillside Avenue Victoria, B.C. V8T 4Y2 595-6211	Minister of Municipal Affairs, Recreation and Culture	Assessment of all real property within the province for taxation purposes.
British Columbia Buildings Corporation	Box 1112 Victoria, B.C. V8W 2T4 387-7211	Minister of Women's Programs and Government Services and Minister Responsible for Families	Provision of accommodation and property management services for government ministries and certain government entities.
British Columbia Educational Institutions Capital Financing Authority	109, 617 Government Street Victoria, B.C. V8V 1X4 387-4584	Minister of Finance and Corporate Relations	Provision of capital funds required by universities, colleges and institutes.
British Columbia Housing Management Commission	1701, 4330 Kingsway Burnaby, B.C. V5H 4G7 439-4703	Minister of Social Services and Housing	Management of provincial and federal-provincial housing units and administration of rent supplement programs.
British Columbia Regional Hospital Districts Financing Authority	109, 617 Government Street Victoria, B.C. V8V 1X4 387-7121	Minister of Finance and Corporate Relations	Provision of capital funds required by regional hospital districts.
British Columbia School Districts Capital Financing Authority	109, 617 Government Street Victoria, B.C. V8V 1X4 387-7121	Minister of Finance and Corporate Relations	Provision of capital funds required by school districts.
British Columbia Systems Corporation	4000 Seymour Place Victoria, B.C. V8X 4S8 1-800-663-6102 389-3232	Minister of Women's Programs and Government Services and Minister Responsible for Families	Provision of data processing services for government ministries and certain government entities.
Provincial Capital Commission	613 Pandora Avenue Victoria, B.C. V8W 1N8 386-1356	Minister of Finance and Corporate Relations	Enhancement of the Capital Improvement District and management of properties under the commission's control.
Provincial Rental Housing Corporation	1701, 4330 Kingsway Burnaby, B.C. V5H 4G7 439-4703	Minister of Social Services and Housing	Holding of housing units managed by the British Columbia Housing Management Corporation.

Appendix 8: Lieutenant Governor, Executive Council and Members of the Thirty-Fifth Legislative Assembly

Lieutenant Governor, Executive Council and Members of the Thirty-fifth Legislative Assembly (at November 5, 1991)

LIEUTENANT GOVERNOR

His Honour the Honourable David C. Lam, C.M., K.St.J., B.A. (Econ.), M.B.A., LL.D.

EXECUTIVE COUNCIL

Premier and President of the Executive Council	Honourable Mike Harcourt
Deputy Premier and Minister of Education and Minister Responsible for Multiculturalism and Human Rights	Honourable Anita Hagen
Minister of Aboriginal Affairs	Honourable Andrew Petter
Minister of Advanced Education, Training and Technology	Honourable Tom Perry
Minister of Agriculture, Fisheries and Food	Honourable Bill Barlee
Attorney General	Honourable Colin Gabelmann
Minister of Economic Development, Small Business and Trade	Honourable Dave Zirnhelt
Minister of Energy, Mines and Petroleum Resources	Honourable Anne Edwards
Minister of Environment, Lands and Parks	Honourable John Cashore
Minister of Finance and Corporate Relations	Honourable Glen Clark
Minister of Forests	Honourable Dan Miller
Minister of Government Services	Honourable Lois Boone
Minister of Health and Minister Responsible for Seniors	Honourable Elizabeth Cull
Minister of Labour and Consumer Services and Minister Responsible for Constitutional Affairs	Honourable Moe Sihota
Minister of Municipal Affairs, Recreation and Housing	Honourable Robin Blencoe
Minister of Social Services	Honourable Joan Smallwood
Minister of Tourism and Minister Responsible for Culture	Honourable Darlene Marzari
Minister of Transportation and Highways	Honourable Art Charbonneau
Minister of Women's Equality	Honourable Penny Priddy

PARLIAMENTARY SECRETARIES

Minister of Education and Minister Responsible for Multiculturalism and Human Rights	Barb Copping
Minister of Environment, Lands and Parks	Dale Lovick
Minister of Forests	Paul Ramsey
Minister of Health	Barry Jones

THIRTY-FIFTH LEGISLATIVE ASSEMBLY

Premier: Honourable Mike Harcourt

Speaker: Honourable Joan Sawicki

Leader of the Opposition: Gordon Wilson

Deputy Speaker: Emery Barnes

Clerk of the Legislative Assembly: Ian M. Horne, Q.C.

Sergeant-at-Arms: A. A. Humphreys

Members of the Legislative Assembly[1]	Political Party	Electoral District
Anderson, Val J.	Liberal	Vancouver-Langara
Barlee, Hon. Bill	New Democrat	Okanagan-Boundary
Barnes, Emery	New Democrat	Vancouver-Burrard
Beattie, Jim	New Democrat	Okanagan-Penticton
Blencoe, Hon. Robin	New Democrat	Victoria-Hillside
Boone, Hon. Lois	New Democrat	Prince George-Mount Robson
Brewin, Gretchen	New Democrat	Victoria-Beacon Hill
Cashore, Hon. John	New Democrat	Coquitlam-Maillardville
Charbonneau, Hon. Art	New Democrat	Kamloops
Chisholm, Robert	Liberal	Chilliwack
Clark, Hon. Glen	New Democrat	Vancouver-Kingsway
Conroy, Ed	New Democrat	Rossland-Trail

Copping, Barb	New Democrat	Port Moody-Burnaby Mountain
Cowie, Arthur	Liberal	Vancouver-Quilchena
Cull, Hon. Elizabeth	New Democrat	Oak Bay-Gordon Head
Dalton, Jeremy	Liberal	West Vancouver-Capilano
De Jong, Harry	Social Credit	Abbotsford
Dosanjh, Ujal	New Democrat	Vancouver-Kensington
Doyle, Jim	New Democrat	Columbia River-Revelstoke
Dueck, Peter A.	*Social Credit*	Matsqui
Edwards, Hon. Anne	New Democrat	Kootenay
Evans, Corky	New Democrat	Nelson-Creston
Farnsworth, Michael C.	New Democrat	Port Coquitlam
Farrell-Collins, Gary	Liberal	Fort Langley-Aldergrove
Fox, Len	Social Credit	Prince George-Omineca
Gabelmann, Hon. Colin	New Democrat	North Island
Garden, Frank	New Democrat	Cariboo North
Giesbrecht, Helmut	New Democrat	Skeena
Gingell, Fred	Liberal	Delta South
Hagen, Hon. Anita	New Democrat	New Westminster
Hammell, Sue	New Democrat	Surrey-Green Timbers
Hanson, Lyall	Social Credit	Okanagan-Vernon
Harcourt, Hon. Mike	New Democrat	Vancouver-Mount Pleasant
Hartley, Bill	New Democrat	Maple Ridge-Pitt Meadows
Hurd, Wilfred	Liberal	Surrey-White Rock
Jackson, Frederick H.	New Democrat	Kamloops-North Thompson
Janssen, Gerard A.	New Democrat	Alberni
Jarvis, Daniel	Liberal	North Vancouver-Seymour
Jones, Barry	New Democrat	Burnaby North
Jones, Ken	Liberal	Surrey-Cloverdale
Kasper, Rick F. G.	New Democrat	Malahat-Juan de Fuca
Krog, Leonard	New Democrat	Parksville-Qualicum
Lali, Harry S.	New Democrat	Yale-Lillooet
Lord, Margaret	New Democrat	Comox Valley
Lortie, Norm	New Democrat	Delta North
Lovick, Dale	New Democrat	Nanaimo
MacPhail, Joy K.	New Democrat	Vancouver-Hastings
Marzari, Hon. Darlene	New Democrat	Vancouver-Point Grey
Miller, Hon. Dan	New Democrat	North Coast
Mitchell, David J.	Liberal	West Vancouver-Garibaldi
Neufeld, Richard	Social Credit	Peace River North
O'Neill, Shannon	New Democrat	Shuswap
Pement, Jackie	New Democrat	Bulkley Valley-Stikine
Perry, Hon. Tom	New Democrat	Vancouver-Little Mountain
Petter, Hon. Andrew	New Democrat	Saanich South
Priddy, Hon. Penny	New Democrat	Surrey-Newton
Pullinger, Jan	New Democrat	Cowichan-Ladysmith
Ramsey, Paul	New Democrat	Prince George North
Randall, Fred G.	New Democrat	Burnaby-Edmonds
Reid, Linda	Liberal	Richmond East
Sawicki, Hon. Joan	New Democrat	Burnaby-Willingdon
Schreck, David D.	New Democrat	North Vancouver-Lonsdale
Serwa, Clifford	Social Credit	Okanagan West
Sihota, Hon. Moe	New Democrat	Esquimalt-Metchosin
Simpson, Bernie	New Democrat	Vancouver-Fraserview
Smallwood, Hon. Joan	New Democrat	Surrey-Whalley
Stephens, Lynn	Liberal	Langley
Streifel, Dennis	New Democrat	Mission-Kent
Symons, Douglas	Liberal	Richmond Centre
Tanner, Clive	Liberal	Saanich North and the Islands
Tyabji, Judeline	Liberal	Okanagan East
Warnke, Allan	Liberal	Richmond-Steveston
Weisgerber, Jack B.	Social Credit	Peace River South
Wilson, Gordon	Liberal	Powell River-Sunshine Coast
Zirnhelt, Hon. Dave	New Democrat	Cariboo South

Appendix 8: Lieutenant Governor, Executive Council and Members of the Thirty-Fifth Legislative Assembly

CABINET COMMITTEE MEMBERSHIP

Planning Board
- Hon. Anita Hagen (Chair)
- Hon. Colin Gabelmann (Deputy Chair)
- Hon. Glen Clark
- Hon. Joan Smallwood
- Hon. Andrew Petter
- Hon. Penny Priddy
- Hon. Moe Sihota
- Hon. Elizabeth Cull

Treasury Board
- Hon. Glen Clark (Chair)
- Hon. Penny Priddy (Deputy Chair)
- Hon. Elizabeth Cull
- Hon. Anita Hagen
- Hon. Colin Gabelmann
- Hon. Dave Zirnhelt
- Hon. Joan Smallwood
- Hon. Darlene Marzari

Other Cabinet Committees

Members	Sustainable Development	Social Policy	Aboriginal Land Claims and Self-Government	Legislation, Regulations, and Orders-in-Council	Crown Corporations	Constitution
Hon. Bill Barlee	X					
Hon. Robin Blencoe	X	X				
Hon. Lois Boone			X[3]	X[3]	X	
Hon. John Cashore	X[2]		X			
Hon. Art Charbonneau	X				X	
Hon. Glen Clark				X	X[1]	
Hon. Elizabeth Cull		X[1]				
Hon. Anne Edwards	X			X	X[3]	X
Hon. Colin Gabelmann			X	X[1]		X
Hon. Anita Hagen		X				
Hon. Darlene Marzari	X					
Hon. Dan Miller	X[2]		X			
Hon. Tom Perry		X[3]				
Hon. Andrew Petter	X		X[1]			X
Hon. Penny Priddy	X	X			X	X
Hon. Moe Sihota	X	X			X	X[3]
Hon. Joan Smallwood		X	X			X[1]
Hon. Dave Zirnhelt	X		X		X	

[1] Chair.
[2] Co-Chair.
[3] Deputy Chair.

APPENDIX 9

The Ministry of Finance and Corporate Relations
(at November 5, 1991)

Minister of Finance and Corporate Relations
The Honourable Glen Clark

Deputy Minister: Douglas H. Horswill

Executive Operations Coordinator: I. Edwards
Director, Communications (Acting): D. George
Director, Service Quality B.C.: F. Schmidt

Registries and Ministry Support Services Division
Executive Director: W. H. Bell

Directors:
- D. W. Boyd (Registrar)
- T. Dagg (Chief Information Officer, Information Technology Management)
- G. D. Price (Human Resource Services)
- J. S. Powell (Financial Services and Administration)

The Registries and Ministry Support Services Division maintains a corporate registry, a personal property registry with computerized remote registration and a manufactured homes registry. As well, the division provides technical services and systems planning, human resource services and financial and administrative services to support the Ministry of Finance and Corporate Relations.

Economics and Policy Division
Assistant Deputy Minister: S. R. Hollett

Directors:
- A. Eastwood (Taxation and Intergovernmental Relations)
- E. Kozak (Strategic Analysis and Policy)
- L. McNabb (Fiscal and Economic Analysis)
- N. Muth (Policy and Legislation)

The Economics and Policy Division is responsible for the development and review of the government's economic, fiscal, taxation and corporate policy, as well as for intergovernmental relations. It provides policy analysis and advice to the Minister of Finance and Corporate Relations and is the focal point in the ministry for the assessment of strategic priorities and legislation governing financial and commercial activities in the province. The division also produces the government's fiscal framework and annual budget speech, monitors the government's fiscal position, and prepares and analyzes revenue and economic forecasts.

Government Personnel Services Division
Assistant Deputy Minister: G. Moser

Directors:
- R. McEachern (Labour Relations)
- W. Scale (Corporate Personnel Services)

The Government Personnel Services Division is the bargaining agent and the central personnel and labour relations arm of government under the direction of Treasury Board as set out in the *Public Service Labour Relations Act*. The division acts as a central agency in providing leadership and assistance to individual ministries and to government in human resource management, labour relations and negotiating activities.

Office of the Comptroller General
Comptroller General: A. J. Barnard

Directors:
- F. G. Hepburn (Executive Director, Internal Audit Services)
- A. R. Horner (Corporate Accounting Systems Operations)
- M. A. Petrie (Government Payment Services)
- V. A. Skaarup (Financial Management)

The Office of the Comptroller General establishes the accounting principles, policies and practices governing the accounts of the province, establishes the financial management control and reporting systems in use throughout government, and advises Treasury Board on all matters pertaining to government financial management policies and practices. The office maintains the central accounting, reporting and payment systems for the government and prepares the annual Public Accounts and related reports. In addition, the office advises and assists ministries in establishing and improving their accounting and control systems, provides internal and value for money audit functions for the independent review of the effectiveness and efficiency of financial control systems, and administers training programs in government financial management.

Planning and Statistics Division
Assistant Deputy Minister: I. McKinnon

Directors:
- T. G. Beynon (Statistics)
- N. J. Paul (Quantitative Analysis)

The Planning and Statistics Division provides the government with timely and reliable statistical information and provides quantitative tools of analysis for decision support. The division discharges the responsibilities of the Minister of Finance and Corporate Relations under the *Statistics Act*, and represents British Columbia in the National Statistical System.

Provincial Treasury
Assistant Deputy Minister: M. Costello

Directors:
- K. J. Davidson (Loan Administration)
- B. Sampson (Debt Management)
- D. G. Pearce (Investments)
- A. van Iersel (Banking/Cash Management)

The Provincial Treasury is responsible for managing the financial assets and liabilities of the government. The Provincial Treasury assists the Minister of Finance and Corporate Relations by negotiating transactions to meet the funding requirements of the government and its corporations estimated at $4 billion in 1991/92. The Provincial Treasury manages assets valued in excess of $19.5 billion; forecasts, monitors and controls the annual cash flow of the General and Special Funds and trusteed funds; and manages over 2,200 government bank accounts.

Revenue Division
Assistant Deputy Minister: E. L. Munro

Directors:
- A. B. Carver (Income Taxation)
- C. Jongbloed (Surveyor of Taxes, Real Property Taxation)
- M. Day (Revenue Administration) (Acting)
- E. J. Turner (Executive Director, Consumer Taxation)

The Revenue Division is responsible for the legislative interpretation and administration of 14 taxation statutes which are the responsibility of the Minister of Finance and Corporate Relations, and for the collection of annual tax revenues of over $5 billion. Included are statutes covering the taxation of goods sold to consumers, property taxation in rural areas of the province, provincial income and capital based taxes, and a property purchase tax. The division is also responsible for school taxes collected by municipalities on behalf of the province and ensures compliance under the *Income Tax Act* which is administered by Revenue Canada. Through vendor education, taxpayer audit and assessment, accounts receivable control and appropriate collections activities, revenue is maximized and taxpayer compliance is ensured.

Treasury Board Staff
Assistant Deputy Minister and Secretary to Treasury Board: T. Vakil

Directors:
- M. Crowther (Government Estimates and Administrative Policy)
- P. Grewar (Risk Management)
- A. Kirkaldy (Social Policy)
- C. Trumpy (Economic Development Policy)

Treasury Board Staff is responsible for expenditure management and review, program evaluation and policy review, administrative policy, risk management, preparation of annual ministry estimates and ongoing budget monitoring with respect to financial and management matters affecting the government, provincial Crown corporations and the province. Advice and support is provided to the government in acquisition, allocation and management of resources for the purpose of meeting government priorities.

Financial Institutions Commission
Chairman: D. G. Parker

Superintendent of Financial Institutions: R. J. Hobart

Deputy Superintendents:
- J. Cook (Real Estate)
- J. Corsbie (Credit Unions)
- S. C. Miller (Insurance, Trusts and International Financial Business)

Directors:
- F. Neville (Executive Director, Operations)
- A. Clark (Investigation)

The Financial Institutions Commission (FICOM) is responsible for developing and maintaining a fair and effective regulatory environment for the financial services sector in the province. FICOM regulates this sector with the aim of enhancing the stability, efficiency and growth of the province's financial sector, while protecting the interests of the province.

Securities Commission
Chairman: D. Hyndman

Vice Chairman: J. C. Maykut, Q.C.

Superintendent of Brokers: W. D. Nesmith

Deputy Superintendents:
- D. Holley (Compliance and Enforcement)
- J. A. MacDonald (Director, Finance and Administration)
- J. Matier (Registration and Statutory Filings)
- W. Redwick (Corporate Finance)
- M. Sheehy (Exemptions and Orders)
- A. Wanstall (Policy and Legislation)

The Securities Commission ensures that investors have timely and reliable information necessary for informed investment decision-making and protects investors from fraud, misconduct or manipulation in the securities industry. The commission maintains standards of fair conduct in dealings with and among participants in the securities market and ensures policies and operations of the Vancouver Stock Exchange are open and efficient.

Government Agents and Development Regions (at July 1991)

GOVERNMENT AGENTS

Government agents branch offices in 60 communities provide the public with a wide range of government services. In 25 locations, government agents offices provide a full range of motor vehicle services to the public. Services include: issuance of learner, renewal and replacement driver's licences; and issuance of motor vehicle permits and insurance. Within the next year, two more motor licence offices will be integrated with government agents to improve client service.

Access Centres combine a government agents office and a number of ministries into a single facility to provide one-stop shopping service to the public. Access Centre objectives include:

- greater public access to frequently used government services;
- better hours of service, by providing lunch hour coverage for small operations; and
- lower costs, by making more effective use of accommodation and pooling of support staff.

Vital statistics services offered in the Government Agents Branch include birth, death and marriage certificates. Applications and payment for other vital statistics services, such as name changes and will searches are also accepted by the branch. Government agents also accept payments for court and other fines.

Government agents can provide clients with access to databases covered by BC OnLine (Land Titles, Personal Property and Corporate registries). Government Agents are also able to obtain information on consumer tax, land tax, provincial voter lists, Medical Services Plan, Crown lands, B.C. Business Network, ICBC and driver licensing. The Ministry of Development, Trade and Tourism is responsible for the Government Agents Branch.

Location	Telephone	Government Agent	Location	Telephone	Government Agent
Ashcroft	453-2412	E. J. Johnstone	Merritt[1]	378-9343	G. Swan
Atlin[4]	651-7595	F. Jenkins	Nakusp	265-3646	J. D. Young
Bella Coola	799-5361	J. K. Foster	Nanaimo[1,4]	755-2200	V. J. Blue
Burns Lake	692-7117	E. Fukushima	Nelson[2,5]	354-6104	P. W. J. Lee
Campbell River[1,4]	286-7555	J. D. Mackenzie	New Westminster	660-8666	G. S. Townsend
Cassiar[4]	778-7507	W. Mercer	Oliver	498-3818	D. R. Blatchford
Chetwynd	788-2239	R. Woods	100 Mile House[3]	395-5595	J. E. Dunsmuir
Chilliwack[1,4]	795-8415	J. D. Hay	Penticton[4]	492-1211	J. W. Torrance
Clinton	459-2268	J. E. White	Port Alberni[4]	724-9200	J. Stanhope
Courtenay[1]	334-1100	D. Egeland	Port Hardy	949-6323	W. H. Newman
Cranbrook[1,4]	426-1211	W. R. Anderson	Powell River	485-2815	B. Johnston
Creston[3]	428-3211	E. Breitkreuz	Prince George[1,4]	565-6011	W. Christie
Dawson Creek[1,4]	784-2224	S. W. Minifie	Prince Rupert[4]	627-0415	E. Gower
Duncan[2,4]	746-1400	J. Bedard	Princeton	295-6957	C. McEvoy
Fernie	423-6845	R. Jaskela	Queen Charlotte City[4]	559-4452	A. Hunter
Fort Nelson	774-6945	J. Hall	Quesnel[4]	992-4301	R. A. Campbell
Fort St. James	996-7585	B. L. Thomson	Revelstoke	837-7636	P. Welock
Fort St. John[1,4]	787-3350	J. R. Frey	Trail[1]	364-0591	R. Bender
Ganges	537-5414	V. Bobroske	Salmon Arm[1]	832-1611	D. J. Koskimaki
Golden	344-7550	D. Hodgins (Acting)	Sechelt	885-5187	G. Swift
Grand Forks	442-5444	S. Matsuo	Smithers[1,4]	847-7207	D. G. McMillan
Houston	845-2990	P. Parish	Sparwood	425-6363	S. F. Arola
Invermere	342-4260	B. G. Mackenzie	Squamish	892-2400	D. L. Martin
Kamloops[4]	828-4540	W. Poohachoff	Stewart[4]	636-2294	L. Deacon-Rogers
Kaslo	353-2219	J. James	Terrace[1,4]	638-3200	R. A. Trombley
Kelowna[4]	861-7440	W. A. R. Tozer	Ucluelet	726-7025	J. Spalding
Kitimat	632-6188	G. Fox	Valemount	566-4448	L. Flavelle (Acting)
Lillooet	256-7548	R. E. Hall	Vanderhoof[2]	567-6301	W. J. Woolsey
Mackenzie	997-4270	L. Ehrman	Vernon[1,4]	549-5511	N. G. Schulz
Maple Ridge	467-6901	J. A. Lane	Williams Lake[1,4]	398-4211	TBA

[1] Access Centre currently open.
[2] Access Centre planned for 1991/92.
[3] Government agent currently provides motor vehicle services.
[4] Government agent scheduled to integrate motor vehicle services within one year.

DEVELOPMENT REGIONS (at July 1991)

There are eight designated development regions in the province. Each region is supported by a Regional Development Officer in headquarters and a Regional Development Liaison Officer who resides in the region.

The objectives of establishing development regions include:

- effective regional participation in the government process;
- increasing the number of successful regional/local initiatives;
- cooperative problem solving; and
- restructuring government services to make them more responsive to regional needs.

Regional Offices:

Region	Location	Regional Development Liaison Officer	Telephone
Vancouver Island/Coast	Nanaimo	Jim Cameron	755-2206
Mainland/Southwest	New Westminster	Sven Buemann	660-9886
Thompson-Okanagan	Vernon	Dan Bulford	549-5593
Kootenay	Nelson	Wally Penner	354-6113
Cariboo	Prince George	June Stinson	565-6998
North Coast	Terrace	Harold Demetzer	638-3570
Nechako	Smithers	Bob Jackman	847-7215
Northeast	Dawson Creek	Dave Pankratz	784-2215

Ministry Contacts (at July 1991)

Further information on provincial government programs and services is available through the appropriate ministry contact listed below or through the local government agent offices listed in Appendix 10.

Ministry and Branch	Address	Name of Contact and Position	Contact Telephone Number
BC OnLine	General Enquiries (Toll Free)	—	1-800-663-6102
Administration Office	4000 Seymour Place, Victoria, V8X 4S8	—	389-3232
Enquiry B.C.	290, 175 West Georgia, Vancouver, V6E 3C9	L. Dugas	660-2421 1-800-663-7876
Ministry of Advanced Education, Training and Technology			
Student Services Branch	2nd Fl., 1106 Cook Street, Victoria, V8V 3Z9	M. Browning (Director)	387-6100
Skills Development Division	818 Broughton Street, Victoria, V8V 1X4	J. Ganong (Assistant Deputy Minister)	387-1074
Science and Technology Division	1022 Government Street, Victoria, V8V 1X4	T. Padmore (Director) C. Shantz (Director)	387-2034 387-3684
Universities and Provincial Institutes Branch	838 Fort Street, Victoria, V8V 1X4	J. Newberry (Director)	387-6166
College Programs and International Education Branch	838 Fort Street, Victoria, V8W 2Y5	A. Hamilton (Manager)	387-6199
Ministry of Agriculture and Fisheries	General Enquiries	—	387-5121
Farm Income and Crop Insurance	808 Douglas Street, Victoria, V8W 2Z7	R. N. Jarvin (Director)	356-1615
Financial Development Programs	808 Douglas Street, Victoria, V8W 2Z7	R. N. Kohlert (Director)	356-1828
Aquaculture and Commercial Fisheries	808 Douglas Street, Victoria, V8W 2Z7	J. D. Anderson (Director)	356-1608
Ministry of Attorney General	General Enquiries	—	387-4577
Ministry of Development, Trade and Tourism			
Development	General Enquiries	—	1-800-972-2255
	712 Yates Street, Victoria, V8V 1X4	—	387-5018
	770 Pacific Boulevard South, Vancouver, V6B 5E7	—	660-4188
Business InfoCentre	601 West Cordova, Vancouver, V6B 1G1	—	660-3900
Vancouver Island/Coast Region	13 Victoria Crescent, Nanaimo, V9R 5B9	—	755-2200
Mainland/Southwest Region	100, 635 Columbia Street, New Westminster, V3M 1A7	—	660-6185
Thompson-Okanagan Region	3201 — 30th Street, Vernon, V1T 9G3	—	549-5593
Kootenay Region	310 Ward Street, Nelson, V1L 5S4	—	354-6113
Cariboo Region	1044 Fifth Avenue, Prince George, V2L 3H9	—	565-6998
North Coast Region	102, 3220 Eby Street, Terrace, V8G 5K8	—	638-3570
Nechako Region	Bag 5000, 3793 Alfred Avenue, Smithers, V0J 2N0	—	847-7215
Northeast Region	125, 1201 — 103rd Street, Dawson Creek, V1G 4J2	—	784-2215
Trade and International Business	General Enquiries, Victoria	—	387-4521
	General Enquiries, Vancouver	—	844-1800
Tourism	General Enquiries, Victoria	—	387-1428
	Toll Free Travel Information		1-800-663-6000
Ministry of Education	General Enquiries	—	387-4611
Communications Branch	620 Superior Street, Victoria, V8V 2M4	—	356-2500
Ministry of Energy, Mines and Petroleum Resources	General Enquiries	—	387-5178
Ministry of Environment	General Enquiries	—	387-1161
Recycling Hot Line	Lower Mainland	—	732-9253
	Rest of Province (Toll Free)	—	1-800-667-4321
Financial Services Branch	810 Blanshard Street, Victoria, V8V 1X5	G. Connaty (Manager)	387-7992
Water Management Branch	765 Broughton Street, Victoria, V8V 1X5	R. Round (Manager)	387-1183
Ministry of Finance and Corporate Relations	General Enquiries	—	387-9278
Communications Branch	617 Government Street, Victoria, V8V 1X4	—	387-3347
Ministry of Forests			
Forestry Division	595 Pandora Avenue, Victoria, V8W 3E7	J. R. Cuthbert (Chief Forester)	387-1296
Integrated Resources Branch	1450 Government Street, Victoria, V8W 3E7	R. Addison (A/Director)	387-8691
Inventory Branch	1319 Government Street, Victoria, V8W 3E7	D. Gilbert (Director)	387-6722
Forest Science Research Branch	31 Bastion Square, Victoria, V8W 3E7	T. Baker (Director)	387-6720
Silviculture Branch	31 Bastion Square, Victoria, V8W 3E7	P. Ackhurst (Director)	387-8953

Ministry and Branch	Address	Name of Contact and Position	Contact Telephone Number
Range Branch	1450 Government Street, Victoria, V8W 3E7	T. Lester (A/Director)	387-3213
Recreation Branch	1450 Government Street, Victoria, V8W 3E7	T. Hall (A/Director)	387-8475
Operations Division	595 Pandora Avenue, Victoria, V8W 3E7	W. C. Cheston (Assistant Deputy Minister)	387-1236
Valuation Branch	1450 Government Street, Victoria, V8W 3E7	J. A. Biickert, (Director)	356-9087
Timber Harvesting Branch	1450 Government Street, Victoria, V8W 3E7	R. Harding (A/Director)	387-5291
Protection Branch	31 Bastion Square, Victoria, V8W 3E7	J. Dunlop (Director)	387-6368
Kamloops Forest Region	515 Columbia Street, Kamloops, V2C 2T7	F. Baxter (Regional Manager)	827-4121
Nelson Forest Region	518 Lake Street, Nelson, V1L 4C6	R. Tozer (Regional Manager)	354-6203
Prince George Forest Region	1011 Fourth Avenue, Prince George, V2L 3H9	K. Collingwood (Regional Manager)	565-6102
Prince Rupert Forest Region	Bag 5000, 3726 Alfred Avenue, Smithers, V0J 2N0	R. Friesen (Regional Manager)	847-7545
Vancouver Forest Region	4595 Canada Way, Burnaby, V5G 4L9	K. Ingram (Regional Manager)	660-7626
Forest Resources Policy Division	595 Pandora Avenue, Victoria, V8W 3E7	L. E. Sivertson (Assistant Deputy Minister)	356-5377
Land Use Policy Branch	1450 Government Street, Victoria, V8W 3E7	D. O'Gorman (Director)	356-7900
Economics and Revenue Policy Branch	1450 Government Street, Victoria, V8W 3E7	H. V. Lewis (Director)	387-1701
Industry Development Branch	1450 Government Street, Victoria, V8W 3E7	M. W. Whybrow (A/Director)	387-8610
Public Affairs Branch	595 Pandora Avenue, Victoria, V8W 3E7	L. Stringer (Director)	387-8486
Ministry of Health	General Enquiries	—	387-3166
Medical Services Commission	1515 Blanshard Street, Victoria, V8W 3C8	—	387-1983
Care Services	1515 Blanshard Street, Victoria, V8W 3C8	—	387-2288
Community and Family Health	1515 Blanshard Street, Victoria, V8W 3C8	—	387-4782
Management Operations	1515 Blanshard Street, Victoria, V8W 3C8	—	387-2294
Ministry of Lands and Parks	General Enquiries	—	387-1258
Office of the Deputy Minister	1802 Douglas Street, Victoria, V8V 1X5	Ed Macgregor (Deputy Minister)	387-1210
Lands Services Division	1802 Douglas Street, Victoria, V8V 1X5	Frank Edgell (Assistant Deputy Minister)	387-1282
Surveyor General	1802 Douglas Street, Victoria, V8V 1X5	Don Duffy (Director)	387-4461
Land Policy Branch	1802 Douglas Street, Victoria, V8V 1X5	Greg Roberts (Director)	387-1803
Real Estate Services Branch	1802 Douglas Street, Victoria, V8V 1X5	Wes Umphrey (Director)	387-1931
Surveys and Resource Mapping Branch	1802 Douglas Street, Victoria, V8V 1X5	Gary Sawayama (Director)	387-6316
Information Systems Branch	1802 Douglas Street, Victoria, V8V 1X5	—	387-6442
BC Lands Regional Operations	1802 Douglas Street, Victoria, V8V 1X5	Jack Hall (Executive Director)	387-1280
Cariboo Region	172 North Second Avenue, Williams Lake, V2G 1Z6	Steve Mazur (Regional Director)	398-4250
Kootenay Region	828A Baker Street, Cranbrook, V1C 1A2	Bill Irwin (Regional Director)	426-1414
Lower Mainland Region	4240 Manor Street, Burnaby, V5G 1B2	Dick Roberts (Regional Director)	660-5500
Omineca Region	1011 Fourth Avenue, Prince George, V2L 3H9	Al Sanderson (Regional Director)	525-6245
Peace	220, 9900 — 100th Avenue, Fort St. John, V1J 1Y3	Egon Weger (Regional Director)	787-3411
Skeena	3726 Alfred Avenue, Smithers, V0J 2N0	Jim Yardley (Regional Director)	847-7334
Thompson-Okanagan	478 St. Paul Street, Kamloops, V2G 2J6	John Thompson (Regional Director)	828-4800
Vancouver Island	851 Yates Street, Victoria, V8W 3E7	Doug McColl (Regional Director)	387-5011
Parks Division	General Enquiries	—	387-5002
Office of the Assistant Deputy Minister	1802 Douglas Street, Victoria, V8V 1X5	Jake Masselink (Assistant Deputy Minister)	387-9997
Visitor Services	800 Johnson Street, Victoria, V8V 1X5	Bob Dalziel (Director)	387-4509
Planning and Conservation Services	800 Johnson Street, Victoria, V8V 1X5	Derek Thompson (Director)	387-4357
Park Management Services	800 Johnson Street, Victoria, V8V 1X5	Wally Eamer (Director)	387-3943
South Coast Region	1610 Mount Seymour Road, North Vancouver, V5G 1L3	George Trachuk (Regional Director)	929-1291
Southern Interior Region	101, 1050 West Columbia Street, Kamloops, V2C 1L4	Tom Moore (Regional Director)	828-4501
Northern B.C. Region	308, 1011 Fourth Avenue, Prince George, V2L 3H9	Struan Robertson (Regional Director)	565-6270
Ministry of Labour and Consumer Services			
Public Affairs Branch	1019 Wharf Street, Victoria, V8V 1X4	C. Rushforth (Public Information Officer)	387-3171

Appendix 11: Ministry Contacts

Ministry and Branch	Address	Name of Contact and Position	Contact Telephone Number
Ministry of Municipal Affairs, Recreation and Culture	General Enquiries	—	387-7912
Ministry of Native Affairs	General Enquiries	—	356-8261
Communications	712 Yates Street, Victoria, V8V 1X5	A. Mordan (Director)	356-0330
Finance and Administration	712 Yates Street, Victoria, V8V 1X5	S. Browning (Manager)	356-1799
Economic Development and First Citizens' Fund	712 Yates Street, Victoria, V8V 1X5	J. Morgan (Director)	356-8284
Natural Resource Management	712 Yates Street, Victoria, V8V 1X5	N. May (Director)	356-8282
Self Government and Negotiations	712 Yates Street, Victoria, V8V 1X5	K. Speck (Director)	356-8279
Social Policy	712 Yates Street, Victoria, V8V 1X5	S. Casavant (Acting Director)	356-7845
Premier's Council on Native Affairs and Heritage, Language and Culture Initiative	712 Yates Street, Victoria, V8V 1X5	J. Birch (Director)	356-8283
Land Claims Registry	712 Yates Street, Victoria, V8V 1X5	—	356-0213
Ministry of Provincial Secretary and Ministry Responsible for Multiculturalism and Immigration			
Public Relations Branch	1117 Wharf Street, Victoria, V8W 2Z2	—	387-1473
Ministry of Social Services and Housing	General Enquiries	—	387-6485
Corporate Services Division	614 Humboldt, Victoria, V8V 1X4	F. Jeffries (Director)	387-4421
Income Assistance Division	614 Humboldt, Victoria, V8V 1X4	R. Willems (Director)	387-1486
Community Support Services Division	614 Humboldt, Victoria, V8V 1X4	P. Grant (Director)	387-1275
Housing Division	614 Humboldt, Victoria, V8V 1X4	J. Ratcliffe (Director)	387-7088
Family and Children's Services Division	614 Humboldt, Victoria, V8V 1X4	S. Veit (Director)	387-7057
Ministry of Solicitor General	General Enquiries	—	387-5259
Ministry of Transportation and Highways	General Enquiries	—	387-3198
Ministry of Women's Programs and Government Services and Minister Responsible for Families			
Office of the Deputy Minister	468 Belleville, Victoria, V8V 1X4	I. Kelly (Deputy Minister)	387-0413
Women's Programs	563 Superior Street, Victoria, V8V 1X4	J. P. Rafferty (Assistant Deputy Minister)	387-3616
Policy, Planning and Research	563 Superior Street, Victoria, V8V 1X4	L. Siebold (Director)	356-8130
Child Care Team	563 Superior Street, Victoria, V8V 1X4	D. Dunsmoor-Farley (Director)	356-7910
Women's Grants Program	563 Superior Street, Victoria, V8V 1X4	L. Duncan (Manager)	356-7911
Community Initiatives Program	563 Superior Street, Victoria, V8V 1X4	C. Morahan (Manager)	356-8129
Women in Government	563 Superior Street, Victoria, V8V 1X4	N. Williams (Manager)	356-7912
Communications and Special Projects	563 Superior Street, Victoria, V8V 1X4	—	387-3617
Library	563 Superior Street, Victoria, V8V 1X4	J. Love (Librarian)	356-5181

About this Publication

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